

Ministers act to aid jobless

A rearguard action by spending ministers in the Cabinet is believed to have limited the proposed cut in the real value of unemployment benefit. But some Conservative backbenchers remain unhappy about making further problems for jobless people. Details of increased spending will be announced by Sir Geoffrey Howe, the Chancellor, next week.

Ex-envoy's link with Czechs

Mr Edward Scott, a retired diplomat who has admitted he became involved with Soviet black agents because of an affair with a Czech housemaid, but was not prosecuted, claims he is the victim of a witch-hunt, for spies.

Roy Jenkins is SDP favourite

A survey shows that Mr Roy Jenkins is a clear favourite to be the first party leader of the SDP. The survey, on behalf of the London Weekend Television's *Weekend World* programme showed 52 per cent of SDP members preferred Mr Jenkins for leader.

Chad willing to recall Libyans

President Goukouni Oueddei of Chad says he will not hesitate to ask Libyan troops to return to their troubled country if the Organization of African Unity peacekeeping force fails to establish control. The OAU force is due in Chad within two weeks.

Lords to hear of asbestos risk

British delays in producing a safe asbestos alternative to Surver University, are to be raised in the Lords. A Dutch firm begins production in the spring.

Muldoon tries to keep power

Mr Robert Muldoon, whose ruling National Party lost five seats to the New Zealand general election, will use the opposition parties at 45 each, is determined to hold on to power. "We are ahead. We are the Government", he told his supporters.

US urged to sell ideas like soap

A confidential memorandum has advised President Reagan to turn the Voice of America broadcasts into an out-and-out propaganda campaign, using techniques devised by advertising agencies to sell soap. "Selling involves more than reasoning," it involves emotions, the document said.

CBI predicts more gloom

Only a slight improvement in the economy next year is predicted by the Confederation of British Industry in its latest economic forecast. Output will rise by no more than 1 per cent, but the outlook for exports is more hopeful.

Pretoria denies Seychelles link

In the face of continuing allegations in Africa and the United Nations, South Africa has strongly denied any involvement in the abortive coup in the Seychelles. Meanwhile, about 300 British tourists have been stranded on the Indian Ocean islands.

England are 216 runs behind

India led England by 216 runs in the first Test match in Bombay. Kapil Dev, the Indian all-rounder, hit out spiritedly in the last 45 minutes to seize the initiative from England.

World Cup woe

Wales will not be joining England, Scotland and Northern Ireland in the World Cup Finals in Spain next year. Yesterday's 1-1 draw between the Soviet Union and Czechoslovakia in Bratislava put paid to their hopes.

Leader page, 11

Letters: On the Scarman report, from Mr Jay Gough and others; Ireland, from Mr E. Williamson.

Leading articles: Arms control talks; Ulster Unionists; Features, pages 8 and 10. Saving the next EEC summit, by Edward Heath; the SDP's middle class profile; if the royal baby is a girl; a profile of Sir Alec Guinness. Obituary, page 12. Lotte Lenya: Natalie Wood.

Home News 2, 3	Prem Books 26
Overseas 4-6	Property 23
Arts 13	Religion 23
Business 14-19	Sale Rooms 12
Court 12	Science 2
Crossword 26	Sport 19-22
Diary 10	TV & Radio 25
Features 8	Theatre 25
Law Report 12	25 Years Ago 12
Laurie cartoon 6	Weather 12
Night sky 12	Wills 26

Muslim Brotherhood blamed

64 killed by car bomb in Damascus

From Robert Fisk, Beirut, Nov 29

President Hafez al-Assad's Government in Syria tonight blamed the extremist Muslim Brotherhood for a car bomb explosion which killed at least 64 people and injured a further 135 in a densely populated middle class district of Damascus earlier in the day.

The bomb, by far the worst incident of violence yet perpetrated against the Assad regime, was apparently intended for a police station and was detonated close to a crowded school.

The official Sana news agency tonight also chose to link the explosion indirectly to the collapse of the Arab summit in Fez claiming the bomb was intended to damage Syria's "steadfastness" in the face of American pressure for a Middle East peace settlement. Syria's refusal to attend the Fez conference and discuss the Saudi peace plan, in which the Americans showed considerable interest, was the immediate cause of the summit's suspension.

Sana claimed that the "Ikhwan"—the Brotherhood—planted the bomb on behalf of the imperialist-Zionist conspiracy, the tired phrase which the Syrians use for Israel and the United States. Whatever reasons the Assad Government may adduce for the carnage in their capital city, the explosion was only the latest in a series of bomb attacks on Syrian government offices over the past four months.

A security policeman saw the driver of the car carrying the bomb leap from his vehicle in Azhakiya street at around lunchtime today and immediately opened fire at him. As the man lay dying in the roadway, the car disintegrated in a huge explosion that sent a cloud of dense black smoke so high over the city that it could be seen from three miles away.

The blast demolished several buildings and firemen and police dug through piles of debris to pull the dead and injured from beneath the tons of concrete that had collapsed

on top of them. The full force of the explosion devastated a school in which children were preparing for their lunch hour. As security men cordoned off the area—just north of the Damascus souk and the Omayyad mosque—helicopters swept to and fro at low level over the city. Six hours after the bomb went off, bodies were still being pulled from the rubble.

Such attacks are normally given little or no publicity in Syria but today's explosion was of such violence that the official media made no attempt to suppress the news.

The Syrian Government recently stated that the Muslim Brotherhood had been crushed in Syria, a statement which makes today's official announcement of the bomb attack all the more significant.

Indeed, earlier this month, Mr Iskander Ahmed Iskander, the Syrian Information Minister, declared in an interview with *The Times* that the Brotherhood was "on the run". When I asked if this meant that there would be no more bombings in Damascus, he replied: "We cannot definitely stop such things. These are ruthless people we are dealing with; can you stop IRA bombs in London or in Northern Ireland?"

Much of the violence generated by the Brotherhood over the past year has been fed by the brutal behaviour of Colonel Rifaa's security men who are believed to be responsible for the killing, in some cases outright murder, of more than 300 civilians in the Syrian city of Hama.

The Brotherhood, however, has itself cared little about civilian casualties during its attacks. Early last month, it planted a bomb outside the Soviet Embassy compound in Damascus and detonated it at the very moment when dozens of Russian children were leaving their school. The real death toll was believed to be almost 10 times the official figure of three admitted by the authorities.

Sinal compromise, page 5

Reagan aide goes on leave to defend role in cash scandal

From Nicholas Ashford, Washington, Nov 29

Mr Richard Allen, President Reagan's National Security Adviser, announced today that he was taking administrative leave of absence so that he can "speak out" about the controversy surrounding his acceptance of \$1,000 (about £520) from a Japanese magazine for helping to arrange an interview with Mrs Nancy Reagan.

The announcement was made on NBC television's *Meet the Press* programme. Mr Allen said he had no intention of resigning and that he expected to resume his duties once the Justice Department had completed its investigation into the matter.

Admiral James Nance, Mr Allen's deputy, will be Acting National Security Adviser during his absence.

Mr Allen, who referred to a press campaign of innuendo and sensationalism, said he had informed the President of his decision to take leave of absence, but declined to say whether the President supported his plans to return to his post.

His decision came after press reports that Mrs Reagan, Mr James Baker, the White House Chief of Staff, and Mr Michael Deaver, the Deputy Chief of Staff, had called for Mr Allen to be removed because of the embarrassment



Mr Allen: Under investigation.

he was causing the Administration.

Mr Allen said he had not heard directly from any of the three that they wanted him to go, but he had apologized to Mr Reagan for causing her embarrassment.

He repeated denials that he had done anything wrong, receiving \$1,000 but admitted an error of judgment in not handing it immediately to the counsel for the President and for not explaining what had happened.

He had taken an envelope containing the cash, along with other papers, which were "thrust at" Mrs Reagan after the interview. "But my intention was to hand that money over to the authorities,"

It was put in a safe in his office, where it remained until discovered by a shop steward. Mr Allen said he did not know who had discovered it or who had decided to authorize a Justice Department investigation.

The decision to appear on television today is part of an attempt by him to clear his name. Recent statements in his favour, have been made by Mr John Lehman, the Secretary of the Navy, Mr Allen's secretary and Mr Charles Takas, who handed him the money and who is the wife of a friend and business associate of Mr Allen.

In recent days White House officials have been keeping their distance from Mr Allen. They made it clear that his decision to appear on television was taken without consulting his superiors, although he advised the White House of his intentions.

He attempted, with some success, to portray himself as an honest man who had made a genuine mistake—the sort anybody might make. His criticisms of "press harassment", including attempts to interview his six-year-old child, are certain to gain sympathy. But his replies to questions about links he has maintained with business associates since his appointment are only likely to add to the ambiguity which characterizes the controversy.

Natalie Wood dies in boat accident

Avalon, California, Nov 29. —Natalie Wood, a star of such films as *West Side Story* and *Rebel Without a Cause*, was found dead off the California resort island of Catalina today, apparently having drowned after wandering away from a party, police said. She was 43.

Detectives have been sent to the small island, a vacation resort, where many film stars go to relax, to investigate the death of Miss Wood, the wife of Mr Robert Wagner, the actor.

Police said friends of Miss Wood notified lifeguards of her disappearance at 5.15 am today after she had apparently wandered off from a party on the island four hours earlier.

Witnesses reported seeing a woman get into a 14-ft inflatable boat and head out to sea. The body of Miss Wood was spotted by a helicopter seven hours after she left her friends, floating in a lagoon about 200 yards out to sea. The boat, named *Splendour*, was found by lifeguards drifting near by. —Reuters.

Obituary, page 12

4,000 marchers demand jobs not bombs

Young people marching through London yesterday drew attention to the plight of the jobless.

Nearly 4,000, mostly unemployed, joined the protest march from Hyde Park to the Jubilee Gardens on the South Bank, where they rallied beneath three large balloons proclaiming: "Give us a future" (Frances Gibb writes).

Wearing badges such as "Jobs not bombs" and "Jobs not YOPS" (Youth Opportunity Schemes) the marchers were accompanied by pop groups,

The demonstration was the national climax to the TUC's Jobs Express campaign.

A train picked up unemployed young people on a 750-mile journey round Britain, ending in London on Friday with the arrival of 400 youngsters from Wales, Scotland, East Anglia and the North.

One of the protesters, Winnie Miller, aged 19, who is a student at Southwark College, said: "Basically I have come here today to represent the young people who want jobs and cannot get them."

Mr Len Murray, TUC

general secretary, warned the Government and employers yesterday of a workers' backlash when the recession ends (the Press Association reports).

He said industrial peace could not be built on fear and insecurity among workers produced by high unemployment.

In the magazine *Personnel Management*, he said: "If and when there is an upswing in economic activity, do not be surprised if workers remember the scars inflicted on them in the current recession and are ready to inflict a few scars of their own."

Picket line dilemma for BL strikers

By Clifford Webb, Midlands Industrial Correspondent

Longbridge strikers intending to defy their unions and report for work this morning were thrown into confusion last night by a shop steward's refusal to say whether or not there would be official picket lines at the factory gates.

Mr Jack Adams, a works convenor said: "I am not going to disclose our plans. We are quite confident we can handle the situation. A decision on pickets will be taken tomorrow but I am not prepared to say when that will be."

Pickets have not been used so far in the three weeks old strike by 120 assembly line workers who are refusing to accept a 12-minute cut in their daily relaxation-time allowance. The works committee met on Friday to consider its response to a management decision to open the factory and test worker support for the strike.

The committee, which is comprised of senior shop stewards, decided not to introduce pickets. This was interpreted as a realistic decision because of the impossible task which would face pickets. They would have to separate strikers from the 6,200 workers laid off who are returning with the blessing of both the company and their unions. But it will be a much easier task for strike leaders to obtain the identity of strikers once they have reached their work stations. This could lead

later to the introduction of pickets, carefully chosen to identify men who normally work alongside them.

BL executives have failed to give an unequivocal answer to the question which is worrying many of the strikers. "What will the company do for us if we come to work in such small numbers that you then have to send us home. We could lose our union cards for strike-breaking and in a closed shop like Longbridge, that will mean no more work for us."

They will have to make do with the answer given by Mr Harold Musgrove, chairman of BL's light medium car operations, who said: "You will receive our full support and guarantee of continued employment. I am saying come back and vote with your feet."

BL's intervention to end a strike which has already cost 18,000 cars, worth £65m, is intended to demonstrate to unions that the strike no longer reflects the views of the majority of members involved. It is gambling that with only three working weeks remaining before Christmas, the welfare of strikers' families will be the deciding factor.

BL chiefs are also annoyed that unions have not thought fit to put the company's latest proposals for phasing in the reduced break times over four months, to a mass meeting.

Please to Esso drivers, page 2

to the character of the Russian language, but are evidence of an ignorance of and disrespect for the national spirit of Russia."

The paper called for a full ideological and educational campaign against such jargon, especially among the rich and chic in the big cities. "You won't find 'Arizian' workers in the 'milkmaid' near Moscow or sailors in England using such terms."

Schmidt has no Geneva doubts

From Patricia Clough, Bonn, Nov 29

Herr Helmut Schmidt, the West German Chancellor, said today he had "no doubts whatsoever" about the Soviet intention to negotiate seriously at the Geneva "missile" talks beginning tomorrow.

Herr Schmidt and Herr Hans-Dietrich Genscher, his Foreign Minister, yesterday briefed Mr Paul Nitze, the chief American negotiator, on what they had learnt of the Soviet position during President Reagan's visit to Rome.

Mr Nitze said Herr Genscher that the United States intended to tackle the negotiations "intensively, constructively and briskly" and to achieve results, Foreign Ministry officials said.

Mr Nitze and the West German leaders discussed the American negotiating position which had been worked out with its European allies in the Nato "special" consultative group.

In an interview with the weekly news magazine *Der Spiegel*, Herr Genscher said Mr Nitze's visit to West Germany on his way to Geneva was fresh proof of the American Government's desire to remain in a "close consultation process" with Bonn.

Herr Genscher described tomorrow's opening of the talks as a historic date and said he was optimistic about the negotiations. He felt that the two years negotiating time available was enough to reach an agreement.

In a radio interview Herr Schmidt recalled that his own career and the future of the West German government were bound up with the progress of the Geneva talks. "If one side or the other the principle of equal seriously, much is at stake for us too. And that is why we will insist that negotiations are conducted seriously."

He said it would be "a grave mistake" for the Soviet Union to imagine that the European peace movement would prevent the stationing of Nato missiles if an agreement were not reached.

Both sides under deadline pressure

He had made it clear to Mr Brezhnev early in the talks that "his government would have the missiles deployed if there was no progress by late 1983 and that the West German Government would do exactly the same."

But when the Soviet Union but also the Americans. We have pointed out to the American side very emphatically that there are now less than two years to achieve results."

The Chancellor said that while trying to explain the American position to the Soviet Union, he had also made clear "how much we Germans have influenced the American views."

The zero solution (the proposal to do away with all medium-range missiles) was not originally an American proposal. It was a German proposal.

"We will not negotiate ourselves but during the negotiations we will remain in contact not only with America and our Western allies but also with the Soviet Union."

Herr Schmidt said that as a

result of his talks with Mr Brezhnev, he could "very well imagine that one could reach a consensus in the first phase (of negotiations) on a solution to the missile problem if, at the same time, there was an agreement in principle on the subsequent phase in which the remaining medium-range weapons would be brought into balance."

He was referring to his suggestion, apparently accepted in principle by Mr Brezhnev, that the negotiations be conducted in stages with the missiles—the Soviet SS20s and the Nato Pershing 2s and cruises—first.

His remarks indicated that the Soviet Union would be prepared to do this so long as a deal was struck for subsequent negotiations on other medium-range weapons, including the American, British and French airborne and submarine-borne nuclear weapons.

Russians question the seriousness of US

On the eve of the talks, the Russians have publicly questioned American readiness to negotiate seriously, suggesting the Americans are seeking a pretext to lead the talks into stalemate (Michael Binyon writes from Moscow).

The official news agency, Tass, today asserted Soviet opposition to President Reagan's proposal for a zero option, calling it a "fictional plan made purely for propaganda."

Tass said the Americans were seeking unilateral military advantage and were violating the principle of equal security. While the Soviet side had a sincere desire to reduce nuclear armaments in Europe, "people in the Soviet Union are far from sure that the United States is serious in striving to do the same."

The agency, citing American statements about the possibility of a limited nuclear war and the refusal to give a pledge not to be the first to use nuclear weapons, said: "All this gives rise to a suspicion that the United States is willing to replace serious and honest talks with a propaganda show designed to distract attention from accelerated war preparations."

Despite today also denouncing the "diplomatic" Reagan proposal, the Russians were trying to change the present one-to-one balance in medium-range nuclear means to a ratio of two-to-one in Nato's favour.

Pope John Paul, in a personal message to President Reagan and Mr Brezhnev before the Geneva talks, called on the United States and the Soviet Union to exert common efforts of good will, and to "think the threat of nuclear war (John Earle writes from Rome)."

The Vatican has not published the text of the Pope's message as it is a personal message. Vatican officials said that the Pope had summed up the contents in his words today and that it would be up to the recipients to publish the letter.

Geneva preview, page 4

Leading article, page 11

THE FAMOUS GROUSE

FINEST SCOTCH WHISKY

THE FAMOUS GROUSE SCOTCH WHISKY IS BLENDED & BOTTLED BY MATTHEW GLOAG & SONS LTD, PERTH, SCOTLAND

THE EXCEPTION THAT COULD PROVE TO BE YOUR RULE.

Lords to debate delays over 'safe asbestos'

By David Nicholson-Lord

British delays in producing a supposedly safe and more versatile alternative to asbestos cement, developed by Surrey University and planned for commercial production early next year by foreign competitors, are to be raised tomorrow in the Lords.

An option on an exclusive licence to produce Netcem, a building material which does not contain the white asbestos fibres increasingly linked by critics to asbestosis and fatal lung disease, has been granted to the British group Norcross, as well as Dutch and Italian competitors, since patents were taken out by the university in 1976.

But, while the Dutch firm DSM, which has the licence for most of northern Europe, intends to go into production next March or April, the university has been disappointed at the lack of progress made by Norcross and its subsidiary, Dow-Mac Concrete. Dow-Mac has now told Surrey it does not want to take up the option.

The delays have angered asbestos safety campaigners who blame inertia by industry, coupled with the Government's failure to introduce legislation on the use of alternatives as recommended by the Advisory Committee on Asbestos, under Mr William Simpson, chairman of the Health and Safety Commission, in October 1979.

Mrs Nancy Tait, secretary of the Society for Asbestos and Industrial Disease, yesterday described the lack of progress as disturbing. It is in line with a "general reluctance by industry in this country" to consider alternatives. The Government should finance the development of substitutes and enforce their use, she added.

According to Dow-Mac, which does not produce asbestos products, Netcem provided severe technical problems. Mr Nigel Wiggins,

the firm's marketing director, said: "It is not the panacea it was thought to be when it was first brought to our attention."

The university said up to £12.5m had been spent on Netcem by companies on the Continent, and DSM has received aid from the Dutch Government. But Mr Wiggins said that after three-and-a-half years of development by Dow-Mac, he remained dubious about the product's commercial prospects.

The controversy over white asbestos, traditionally considered to be relatively safe in contrast to the known dangers of blue asbestos, has grown up after recent developments in the use of electron microscopes to examine diseased tissue. These have disclosed the presence of the much smaller white fibres previously undetected by ordinary optical microscopes.

In the Lords tomorrow, the Earl of Gosford will initiate a debate on asbestos substitutes and on whether the Government is "satisfied with the methods of monitoring asbestos which are currently in general use", a reference to optical microscopes.

Use of electron microscopes, according to Mrs Tait, has in the last few years, led to local benefit appeals tribunals to alter decisions in two cases. What was previously said to be bronchitis and heart disease was re-diagnosed as asbestosis.

Asbestos cement is widely used in wall, roof and ceiling panels. Industry disputes that it is health hazard and points to recent planning inquiry decision in which risks were said to be "negligible" with proper precautions.

But the inquiry inspector also said that electron microscopes might call for changes in recommended handling methods.

Some police surgeons 'are not competent'

By Peter Evans, Home Affairs Correspondent

The "bumbling incompetence" of some police surgeons is criticized in their association's magazine. The controversy indicates there is a risk of miscarriage of justice in some of the cases in which they appear.

Police surgeons are responsible for gathering evidence in non-fatal criminal cases, but can be involved crucially in murder investigations if they are first on the scene.

The Police Surgeon Supplement has joined a campaign to raise standards of police surgeons' competence and qualifications.

The editor, Dr Myles Clarke, of Hutton, says: "The standard of police surgeons across the country appears to vary from the pinnacle of excellence to the depths of incompetence."

"Some of the candidates on presenting themselves for the diploma (in Medical Jurisprudence), fondly imagining themselves to be widely experienced in police work, have found glaring lacunae exposed in their knowledge."

"Fortunately for them, the exposure was made in the comparative privacy of the examination room rather than in court, with the attendant glare of publicity."

He was replying to the attack of two highly respected police surgeons on his contention that those with the diploma should be better paid than those without. Dr J. Henry, a London police surgeon, says: Dr Clarke's views are galling to those who have served for many years.

If a proposal for different fees became the association's official policy, "I would resign", Dr Henry said.

The association has about 550 members but does not know how many police surgeons are members. Most are in full-time National Health Service general practice.

Ex-envoy says he was victim of witch-hunt

By Frances Gibb

A retired British diplomat who has admitted illicit links with Soviet block agents in the late fifties, the latest in a line of confessions by government officials, claimed yesterday that he was the victim of a witch-hunt for spies.

Mr Edward Scott, aged 63, who had dealings with Czech officials when he was number two at the British Embassy in Prague from 1956 to 1958, said that his name had now been brought into the open for one of two reasons.

"Either there has been a decision taken in the national interest to let a number of cats out of the bag or some person is driving a coach and six through the Official Secrets Act on purpose."

Mr Scott, who was not prosecuted after admitting his action to British intelligence officers in 1969, became involved with Soviet block agents when he had an affair with a Czech housemaid who was reporting to the Czech secret service.

His confession in *The Sunday Times* yesterday comes four weeks after Mr Leo Long, a former British intelligence officer, admitted to spying for the Russians. After that disclosure, the Prime Minister refused to say how many people had been offered immunity in the wake of investigations into the spy ring surrounding the now-disgraced Mr Anthony Blunt.

Mrs Thatcher is to be questioned in Parliament over this latest disclosure and asked why Mr Scott should be enjoying an index-linked Civil Service pension.

Mr Bruce George, Labour MP for Walsall South, said yesterday that he would be raising the issue. "How many more cases are there still to be uncovered? Do we have to read the newspapers to find out how many worms are in the can?"

Yesterday at a press conference in the Hilton hotel, Mr Scott denied he had given any information of value to the Czechs; he rejected any accusations of being a spy or



Mr Edward Scott speaking at the Hilton hotel yesterday

secret contact with Czech officials. "But I hoped it would not be in the national interest to bring a prosecution against a fourth league sinner."

Far from giving secret information, Mr Scott said he had held back from saying anything of value. He said that although he was at Cambridge he had nothing to do with the circle of Marxists which flourished during the thirties and which provided the core of the spying network led by Philby and Maclean.

After postings in Tehran and Tangier, he went to Prague in 1958, at that time "a sensitive place", and started having an affair with his housemaid, Irena Peckova. He knew that like all employees, she had been placed in his home by the Czech authorities. "To that extent I knew she was planted; but I was very fond of her and she of me and I wanted to help her."

He said she was disillusioned with the political regime and he agreed to try to get her out of the country by "putting my own head on the block". His ploy, he said, was to pretend to Czech officials that he could be of use as a spy in the future.

When he was due to be posted back to London he arranged through her to meet a Czech official.

He said he had no difficulty in drawing a line between information that was useful and that which he did not wish to reveal.

The visa was arranged and Mr Scott continued to meet with Czech agents in London for a few months around 1958/59 to ensure that his housemaid was settled in Vienna, he said.

Since then, Mr Scott says he has had no further contact. The relationship with the girl fizzled out and he left the Foreign Office and went into the City.

Mr Nigel West, author of *MIS: British Security Services Operations 1909-1945*, said yesterday that it was he who had told *The Sunday Times* about Mr Scott, whom he had come across when researching his book.

A vital part of Mr Scott's story, Mr West said, was that during the war he was assistant military attache in the King's Royal Rifle Corps in Kabul. "When he was known to have contact with the Soviets."

He passed his Foreign Office examinations in 1947 and then spent three years in the same office as Burgess before his first posting to Tehran.

Mr Scott is now living with his fourth wife. His second wife, Diana, was with him in Prague. She divorced him in 1965.

Thatcher firm facing threat in Wales

From Our Correspondent Llandudno

The militant Welsh Language Society has threatened "direct action" if building work is started by a company for which Mr Denis Thatcher acts as consultant on a development at Harlech in North Wales.

On Saturday, scores of demonstrators protested at Harlech against the proposal to build 65 homes and a motel there. Two wooden huts on the site, close to Harlech Castle, were badly damaged but no arrests were made.

Although Gwyneth County Council and local councils are opposed to the development, fearing it could lead to more holiday homes, it was sanctioned by Mr Nicholas Edwards, Secretary of State for Wales. It was to Mr Edwards that the Prime Minister's husband wrote his leaked letter complaining about a planning appeal delay involving the development company, HIC.

Plaid Cymru's two MPs, Mr Dafydd Ellis Thomas (Merioneth) and Mr Dafydd Wigley (Caernarvon) attended the demonstration, but had left when the damage was caused.

Mr Wigley, who is president of Plaid Cymru, said: "It is insensitive of Mr Edwards to pretend that a letter from the Prime Minister's husband receives exactly the same attention as one from anybody else. Surely, it is like a company employee being asked for a lift by the managing director's wife, he cannot refuse whatever his feelings."

"There should not be one rule for ordinary people and another for others who can influence the processes of power. Mr Edwards should have been aware of the high feelings about holiday homes in this area."

River victim named
A body washed up on the banks of the Wyre at Knott End, Lancashire, has been identified as that of Mr John Stirling MacDonald, aged 42, of Harcourt Road, Blackpool.

NEWS IN SUMMARY

Indemnity sought for rate rebels

A group of labour councils is seeking to commit a future Labour government to indemnifying local councillors surcharged for defying the Government on council spending.

The move comes in a joint statement sponsored by the councils which will be put to a meeting next Saturday with the Left-wing Labour Coordinating Committee.

It says that if Mr Michael Heseltine, Secretary of State for the Environment, succeeds in introducing rates referendums, councils should hold their own referendums asking electors if they want services cut.

If Labour councillors refuse to make the cuts or bring in rate increases, the statement pledges full support for them and calls on a future Labour government to give them retrospective indemnity against charges.

Among the councils sponsoring the conference are the Greater London Council, Lothian, Dundee, Stirling, and Sheffield.

Offer to jailed teacher may go to Ombudsman

From Our Correspondent Welshpool

The Ombudsman for Wales may be asked to investigate Powys County Council's decision to reinstate Mr Wayne Williams, a teacher who is in prison.

He taught Welsh at Llanidloes High School until he was jailed earlier this year for nine months for his part in the fourth television channel campaign.

More than 270 parents have signed a petition opposing his reinstatement and Mr Delwyn Williams, Conservative MP for Montgomery, said he might call in the Ombudsman to see if there have been a cover-up of administrative incompetence.

Yorkshire plea for Glasgow rail link

The Transport Users Consultative Committee for the Yorkshire area has asked British Rail to retain a direct link between West Yorkshire and the west of Scotland after diversion of express trains between Nottingham and Glasgow via Lancashire next May. Though the new system will mean some improvements for people in the Bradford area, passengers to Glasgow from Leeds and Sheffield will have to change at Carlisle.

Not like father

Mrs Shant Knight, aged 18, the daughter of Mr John Knight, who has fathered 19 children, was married at Llanecost, Cornwall on Saturday to Mr Jim Halls, a sheep shearer. The bride, who has a baby son, vowed to stop at six children.

Pact means return of 'News at Ten'

By Kenneth Coeling

Independent Television News returned to normal working on Saturday night and the first 'News at Ten' for more than a week will be broadcast tonight after a strike by 350 technicians.

An agreement was reached on Saturday after more than 20 hours of talks spread over three days on the technicians' argument that a dispute over the salary and manning levels for operating new video tape machines should be referred to the industry's arbitration tribunal.

Management initially offered £500 to each technician working the new machinery and a review in 18 months. They later offered £5 a day for the same work, with arbitration in nine months. The union replied that it would agree to arbitration in three months. The talks were held under the auspices of the conciliation, Advisory and Arbitration Service.

Mr Lawrie Read, ITN shop steward of the Association of Cinematograph Television and Allied Technicians, said yesterday: "We do not like to talk of victories but the craziness of the situation is that on Wednesday we agreed to the use of the arbitration procedure in three months. Now they have conceded everything and the arbitration can start immediately."

"This means the whole thing could have been settled and ITN could have been back on Thursday morning, putting out its Crosby election special that evening and full news programmes for the rest of the week."

"They have tried to say that this has been about money but there is one word about it in Saturday's settlement. The most important thing to grasp is that basically this was never a dispute about money but about a principle. That quite literally is the paramount thing and why the entire ITN shop was so supportive."

The agreement worked out on Saturday will provide for a single editor to operate up to three video tape machines. Previously one editor had worked the machines with an editor under training.

ITN explained yesterday that the training was like putting a pilot of a Boeing 747 into training to fly Concorde. It meant experienced people learning to use advanced technology.

The tribunal, which will consider representations on remuneration and grading of editors' work on the new machines, consists of six representatives of each side of the industry. None is expected to have had any direct involvement in the dispute. The arbitration is likely to take about a fortnight.

Mr Read said: "I hope that this week-long strike will have been the means of averting a much longer one."

'ACQUITTED PEOPLE PENALIZED'

By Marcel Berlins, Legal Correspondent

Many defendants who are found not guilty are then penalized by the courts by being made to pay substantial contributions to their legal aid according to a survey published today. Other acquitted people have been refused costs from central funds.

People convicted of minor offences have often been fined small amounts but made to pay prosecution costs out of all proportion according to a study of 641 crown court cases by Mr Howard Levenson, a solicitor and law lecturer.

He concludes that the effect of penalizing an innocent defendant, or a trivial offender, through "could well be to inhibit defendants from pleading not guilty, fighting their cases before a jury, and appealing if they are convicted."

The Cobden Trust, the research arm of the National Council for Civil Liberties, supports Mr Levenson's findings with examples from its files.

Recently a woman convicted of shoplifting goods worth £6.99 was fined £50, but ordered to pay £700 costs. And a youth convicted of avoiding a City Tube fare was fined £25, but ordered to pay £200 costs.

The Price of Justice, (Cobden Trust, 12.55).



Mr Roy Herterich, aged 51, who helped the police to send a man to prison for 14 years after an armed robbery at his East London firm two years ago, was shot dead on his own doorstep on Saturday night.

He was killed by a single shot when he answered a knock on the door of his home in Bowhay, Hutton Mount, Brentwood, Essex.

His wife, Joyce, had heard him having a conversation at the door before the shot. She found him collapsed on the doorstep.

Det Supt Peter Mythe, deputy head of Essex CID, did not discount revenge as a motive for the murder.

"WELCOME, CHINA"

The 5,000 branches of Barclays Bank across 79 countries worldwide would like to welcome the latest addition to the network.

Our representative's office in Beijing (Peking) - Barclays' first in China. Peter Rock is our man there, to help and advise you on your business with a country which, in terms of resources and economic potential, is getting more important every day.

From Beijing, Barclays will

further develop a long-standing association with the Bank of China, and with trading and manufacturing companies throughout the Far East.

Supporting your international business interests, wherever they may be. Get in touch with Peter Rock at the address below, to find out how our new Beijing office can help you. Or in Britain, contact 54 Lombard Street, London EC3P 3AH, telephone 01-283 8989, extension 3238.



BARCLAYS BANK INTERNATIONAL LIMITED, EXHIBITION CENTRE HOTEL, SOUTH BUILDING, BLOCK 1, XI ZHI MEN WAI STREET, BEIJING. TELEPHONE 89054 EXTENSION 466/7. TELEX 22589.

The real failure behind effort to reshape Europe

From Ian Murray, Brussels, Nov 29

The failure of last week's European summit in London to reach agreement on guidelines and timetables to reshape the EEC's finances and agricultural policy was not a failure according to Mrs Margaret Thatcher, the British Prime Minister.

By that she meant that the Community still exists and that everyone understood each other better after two days of hard talking and negotiating. But it is precisely because the Community still exists in its present form that the summit was a failure.

Since Britain took over the presidency in midsummer, thousands of hours of meetings and drafting sessions have been spent in constructing the document which was largely thrown away on Friday evening.

Mrs Thatcher may have said that everyone now had a better understanding of each other, but it is difficult to see what aspect of the situation had not been thoroughly discussed before the summit began.

The problem is that although the heads of government got on very well together, when it came to putting their understanding into writing the drafting officials came up against the fact that conflicting viewpoints cannot be reconciled on paper.

Britain's urgency about obtaining a settlement was due largely to the fact that at the

end of the year it loses the Presidency. The chair will be handed over to Belgium and then to Denmark, neither of whom are pressing for change. In addition, by March, when negotiations on agricultural price fixing are due, the Community will probably be locked into another year of high price policy.

Mrs Thatcher said on Friday that technical matters, such as aid for small farmers and price policies, should really be handled by specialist councils. That runs counter to all the philosophy which Britain expressed in the run up to the summit, when it urged operational guidelines and a timetable on this type of point.

A final hurdle for the big changes is due to be made at a special unofficial council of foreign ministers which is to be arranged. Failure there could spell the end of the effort to restructure Europe's finances.

□ Athens: Mr Andreas Papanastasiou, the Greek Prime Minister, expressed optimism tonight that the future of the EEC and Greece's relations with it would be clarified by the time of the next summit in the spring (Mario Modiano writes).

He said: "Greece cannot remain in the Community under the present status because this will ruin national economic interests. But I hope it will be possible to establish a special status."

Genscher concern for the cohesion of Community

From Our Own Correspondent, Bonn, Nov 29

Herr Hans-Dietrich Genscher, the West German Foreign Minister, who is a leading campaigner for greater European unity, expressed deep concern this weekend about the state of the European Community.

"Europe is going through a particularly difficult phase in which the Community's capacity to act and its internal cohesion are seriously endangered," he said.

Europe needed personalities who resisted national egotisms and fought with determination for Community interests, he said at a function yesterday organised by his Free Democratic party in honour of Mr Gaston Thorn, the president of the EEC Commission.

Herr Genscher, the prime mover of the West German-Italian proposal for a Euro-

pean Act of Unity, added in an interview today: "There is no doubt that European consciousness must become clearer and that its capacity to act must be recognisable if Europe negotiations on agricultural wants to defend its interests."

The failure of the European summit in London to reach a solution on the budget and agricultural problems showed "that all of us must become more aware that a new European effort is necessary."

Europe must not see itself as a community of states in which each one tries to pay as little as possible into the till and get as much as possible out of it. "That is a complete misunderstanding of the process of European unity," he asserted.

Heath view, page 10

Selling the Voice of America like soap

From Nicholas Ashford, Washington, Nov 29

A secret memorandum which recommends that the Voice of America (VOA), the equivalent of the BBC's external services, should sell ideas the same way an advertising agency sells soap, has raised fears that the broadcasting network is to be turned into a propaganda arm of the Reagan Administration.

The memorandum, which recently found its way on to the pages of the Washington Post, was written by Mr Philip Nicolaidis, who has just been appointed VOA co-ordinator for commentary and news analysis.

Mr Nicolaidis, a former Texas radio commentator and writer for conservative publications, said it was necessary to recognise that the VOA was "a propaganda agency". Its job involved selling and "selling involves more than reasoning, it involves emotion; people buy the sizzle and not the steak" or the protection against "offending", not a bar of soap.

To deal with the Soviet Union's broadcast barrage it

was necessary, he said, to portray it as "the last great predatory empire on earth". He specifically advocated efforts to "de-stabilise" the Soviet Union and its satellites.

In a paragraph which appears to have caused particular offence to VOA journalists he said it was necessary to "reverse the tendency towards mush that flowered under the previous (Carter) Administration" and abandon the idea that VOA was a journalistic enterprise of some sort "with the standards of Mr Ed Murrow" (the celebrated broadcaster who headed the VOA's parent body, the United States International Communication Agency (USICA), during the Kennedy era).

The Nicolaidis memorandum caused a furore among VOA staff after it appeared in the Washington Post. All but three of the editorial staff who were on duty at VOA headquarters that day signed a memorandum calling on Mr James Conkling, the recently appointed director, to disavow the views and to cancel his appointment.

At a meeting with staff Mr Conkling re-affirmed his support for a 1976 charter which requires the VOA to broadcast "accurate, objective and comprehensive" news. "We are not a propaganda agency", he told the meeting, but refused to reconsider Mr Nicolaidis's appointment.

The Nicolaidis memorandum is the latest in a number of incidents which have fuelled speculation within the organisation and within the American media as a whole that the VOA was having to move away from its hard won fight to resist political pressures from any administration.

Like the BBC external services, the VOA disseminates news, music and comment in a host of languages: each week it broadcasts a total of 900 hours to an audience of 80 million in 39 languages. Unlike the BBC, however, it has always been more closely associated with the United States Government than its British counterpart is with Whitehall.

Over the years it has managed to establish a far greater

degree of independence than when it spearheaded President Truman's campaign for truth against communism at the height of the Cold War.

Although there is no longer an official censor sitting in the newsroom, the VOA's daily commentaries are intended to reflect government policy and members of the staff have to be cleared by the Federal Bureau of Investigation.

During his election campaign President Reagan pledged to use the VOA as a leading ram in a re-invigorated American campaign to resist the propaganda successes of Soviet and other communist broadcasters around the world.

As part of this campaign he made Mr Charles Wick director of the USICA and Mr Conkling head of the VOA. Both men have similar show business backgrounds. Mr Wick, a member of the President's "California Mafia" made a fortune in real estate, nursing homes and entertainment. He wrote the script and produced a film called *Snow White and the Three Stooges*.

Mr Conkling, a former music arranger for dance orchestras, once produced a musical with a patriotic theme, called *Threads of Glory*.

One of the first actions by Mr Wick was to initiate Project Truth, a campaign to identify and discredit Soviet "disinformation" and to disseminate unflattering facts about the Soviet Union. A memorandum explaining the campaign said the project would use all the resources available to the USICA.

Although senior officials have denied that VOA involvement in Project Truth would infringe its legislative charter for objectivity, it has nevertheless been regarded as a move to make its operation political.

Similarly, a proposal being considered by Mr Conkling to give the network's foreign language broadcaster more say in selecting and interpreting the news is regarded as an attempt to give broadcast a more virulent anti-communist tone.

Arms negotiators face a long hard winter

From Henry Stanhope, Defence Correspondent, Geneva, Nov 29

Both superpowers have promised a serious and realistic approach to their talks about curbing the number of nuclear weapons in Europe which opens tomorrow in this instance the capital of peace and goodwill.

But the carefully processed words so far deployed have been cautious as well as hopeful and the two delegations are clearly settling in for a long hard winter.

Technically, the negotiations will start at 11 am when Mr Paul Nitze, the silver-haired veteran of American arms control (for and against) arrives at the Soviet Mission for an informal session with his opposite number, Mr Yuri Kvinsky.

The two men and their chief aides (the American team totals about 20) will decide the schedule for their formal meetings, which are likely to be on Tuesday.

If the delegations accept the procedures of the Strategic Arms Limitation Talks (SALT), they will meet about twice a week, alternating between the Soviet Mission and the United States Arms Control and Disarmament Agency offices in what is known as the Botanic Building—across the road from the botanic gardens in the tree-lined Avenue de la Paix.

The negotiations themselves have their origins in allied concern during the 1970s

about new Soviet weapons which were being developed for the European theatre. The most notorious was the SS20, which is not only more accurate and longer-ranged than the SS4 and SS5 it is replacing, but has three separate warheads and is mobile.

To counter weapons like this Nato agreed two years ago to station 572 new Pershing and cruise missiles in Western Europe.

The new missiles, however, were only one side of what were called a "twin-track" decision. The other offered the prospect of negotiating over such weapons.

So far, both superpowers have made preparatory offers which they know the other side can, and probably will, refuse. President Reagan has made his famous "zero options" proposal under which the Americans would scrap the entire package of 572 missiles if the Russians would agree to dismantle their existing 630 SS2s, SS4s and SS5s.

The Russians have gone one better. On his arrival yesterday, Mr Kvinsky, who at 45 has already won a reputation as a brilliant negotiator, repeated an earlier suggestion by President Brezhnev that they should ban all medium/intermediate range nuclear weapons in Europe.

'World's oldest' shrine found

Washington, Nov 29

Scientists of the University of Chicago say they have unearthed mankind's oldest known religious shrine—a cave sanctuary containing an altar-like slab and an unusual sculpted stone head fashioned 14,000 years ago.

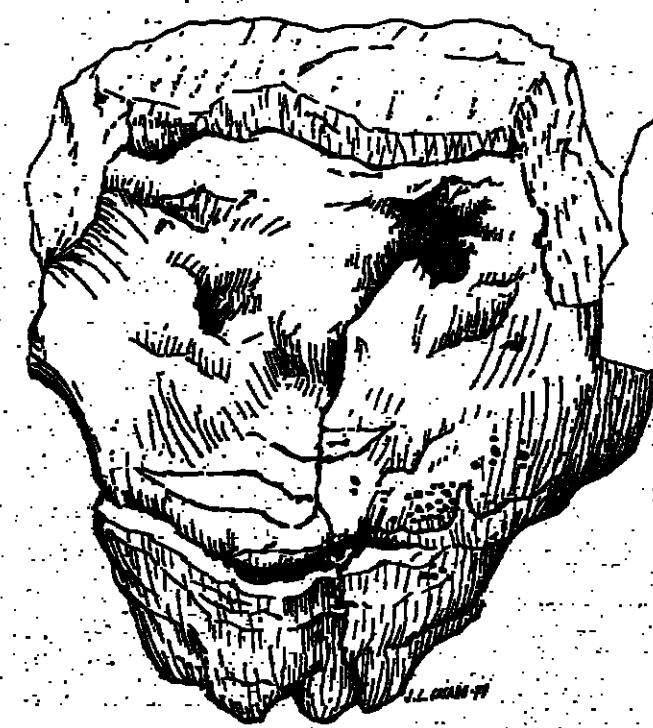
The well-preserved sanctuary, built in a cave by Stone Age men living in what is now northern Spain, also contained weapons, household tools and animal relics, they reported.

Dr Leslie Freeman and Dr Richard Klein, both anthropologists, discovered the shrine at the El Juyo cave archaeological site near the city of Santander. Dr Freeman said in a telephone interview that the find "is the oldest, intact, dedicated religious site we can prove in the world."

Evidence for religious belief goes back at least 50,000 years, he said. This includes cave drawings and gravestones offerings placed at Neanderthal burial sites. "However, almost all of this evidence deals with death, which is only part of a religious belief system," Dr Freeman said.

"At El Juyo, this site has nothing to do with death. Its symbolism is more universal and tells us about other aspects of the belief system."

"For example, the fact that hunting weapons were kept separate from sewing imple-



This face, half human and half animal, was hewn from a rock by Stone Age men some 14,000 years ago.

ments in the sanctuary strongly suggests that the difference between male and female roles in the material culture was also important to the religious ceremonies."

The stone head is a particularly significant find since it portrays a face that is half human and half animal, a unique discovery for this era, the scientists said.

On one side of the rock is the face of a smiling man with a moustache and beard. On the other is the face of a cat with a moustache, whiskers and a single, pointed tooth. —AP.

Ceausescu seeks say in nuclear talks

From Dossa Trevisan, Bucharest, Nov 29

With the Soviet-American talks beginning in Geneva tomorrow, President Ceausescu of Romania has reactivated his personal diplomacy behind the drive for nuclear disarmament. He has addressed letters to the Soviet and the American leaders appealing to them to do everything in order to attain this goal.

Romania does not want to be left out in the cold and leave to the big powers to go it alone.

To leave no one in any doubt about his personal power and perhaps also to divert attention from Romania's continuing economic ills, the Grand National Assembly, the Romanian Parliament, yesterday paid personal tribute to President Ceausescu when it entrusted him with conveying the Romanian view to the Soviet and United States heads of state.

President Ceausescu's "great peace initiative" the Assembly's resolution said "evinces his high sense of responsibility for the fate of the nation and of mankind."

For weeks so-called peace demonstrations have been organized throughout the country. They clearly serve to demonstrate popular support for Mr Ceausescu's foreign policy at a time when there must be serious doubts about his domestic policy.

The failure of the economic policy, the adds grain, maintained in all fields of life and the role his family is playing are clearly adding resentment to public frustration. So far, the failures have been blamed on cabinet ministers, and frequent government changes suggest that the scaregost tactics have worked so far.

Recently reports of labour unrest and even of violence in the coal-mining area were never confirmed, officially nor reported in the press. Confirmation of trouble came indirectly, however, when several high officials including the director of the mining industry in the Oltenia region were dismissed during last week's Central Committee meeting.

The meeting was described by Mr Ceausescu as "extraordinary for its harshly critical undertones. But he added in his closing speech that this was a sign of strength rather than weakness, and that the Western press would try to distort it in order to claim that "things do not go too well in Romania."

The debate, he said, was in fact evidence of democracy.

Foreign debt, page 15

ARAB INTERNATIONAL BANK



المصرف العربي الدولي

BALANCE SHEET

June 30, 1981 and 1980

(Expressed in thousands of U.S. dollars)

ASSETS	1981	1980
Cash and due from banks	37,717	33,793
Time deposits	939,834	897,729
Investments		
Marketable notes and bonds	68,012	54,458
Equity participations	29,051	29,160
Loans and advances		
Less provision	417,159	292,370
Accounts receivable and accrued interest	41,383	22,134
Property and equipment	26,017	23,244
	1,559,173	1,352,888
LIABILITIES AND SHAREHOLDERS' EQUITY		
Demand deposits	127,101	152,461
Time deposits	1,149,772	932,790
Accounts payable and accrued interest	42,850	36,055
Proposed dividends	15,000	15,000
Floating rate notes 1983	25,000	25,000
	1,359,723	1,161,306
Shareholders' equity		
Share capital	100,000	100,000
Statutory reserve	21,003	18,433
General reserve	73,997	68,567
Retained earnings	4,450	4,582
	199,450	191,582
Total Shareholders' equity	1,559,173	1,352,888
Liabilities under Credits, Guarantees and Acceptances	240,000	222,000

Mr. Hadi Mohamed Giteil
Managing Director

Dr. Mostafa Khalil
Chairman

مخازن النقد

The Important Privileges Enjoyed By The Bank Under The International Treaty Establishing It:

- Arab International Bank was established by an international treaty in 1974.
- By virtue of the treaty the Bank enjoys certain privileges in the territories of the member states (Shareholders) including:
 - Exemption from laws regulating banks, exchange control and auditing requirements;
 - Immunity from all forms of nationalization and seizure of shares in and deposits with the Bank;
 - Exemption from taxation and any obligations for the payment, withholding or collection of any tax or duty which may be imposed on its customers;
 - Confidentiality of customers' accounts with the Bank which are not subject to judicial or administrative distraining orders; and
 - Exemption from tax of any kind on any obligation or security issued by the Bank including any dividend or interest.

Head Office : 35 Abdel Khalek Sarwat Street, Cairo, Arab Republic of Egypt
Cable Address : ARABINBANK
Telex : 92079 AIB — 92296 UNCON UN

Auditors:
Mostafa Shawkil F.S.A.A. Cairo
Hassan El Nasharty Chartered Accountant Cairo
Arthur Young & Company Regional Office Athens

Business as usual despite dead-heat Muldoon says

From W. P. Reeves, Wellington, Nov 29

The ruling National Party under Mr Robert Muldoon is determined to hold on to power in New Zealand after an inconclusive weekend election left the Government without a clear majority.

Recounts are underway after the vote in which the results could hinge on three marginal seats, one of which the Government holds by 16 votes only.

"We are ahead. We are the Government," Mr Muldoon, the Prime Minister, told supporters. He said he considered the results of Saturday's poll a victory, though his National Party lost five seats and won one back to finish with 46 seats, tied with the opposition Labour Party at 44 seats and the Social Credit League at two seats.

Because of the narrowness of some majorities, special and absentee votes could upset the provisional results. As well as winning the central North Island seat of Taupo from Labour by 16 votes, the National Party was clinging to Helensville, a semi-rural district near Auckland — with a reduced majority of 44.

At the same time Labour won the east coast city of Gisborne with a small margin of 96.

Mr Muldoon said it was business as usual for the Government. "We are going to go ahead with the growth strategy I put forward."

He would not be making any approach to Sir David Beattie, the governor-general, because there was no need to tell him that he would form a government. The question did not arise. He did not propose to summon parliament till next May and he expected to govern through the full parliamentary term until 1984.

The problem constitutionally could sharpen if Labour were to pick up one of the marginal seats when the final votes are in, leaving the House of Representatives equally divided between the main parties with 45 seats each. After supplying a Speaker, the party forming the government would then be even more dependent upon Social Credit support.

In that situation Sir David might face some quandary as to whom to invite first, to attempt to form a government. So far, however, Sir David, a former Supreme

Court judge who was appointed last year on the recommendation of the Muldoon Government, has declined to comment except to say he will await events.

Mr Muldoon said no accommodation was necessary with the Social Credit League, which holds the balance of power. Mr Bruce Beetham, the Social Credit leader, reinforced Mr Muldoon's optimism about continuing to govern by saying he could see no reason why the National Party should not form a government nor why the Prime Minister should resign.

He could not envisage Mr Muldoon calling another election as he would probably lose.

Mr Beetham has repeated earlier assurances that in a "hung" Parliament, Social Credit would exercise its power responsibly. It would not bring the government down on votes of supply or confidence. "The new balance will not lead to instability," he said last night. "There is no reason why it should unless the Government adopts intolerable attitudes."

The Social Credit movement with its cheap money policy has been a thorn in the side of New Zealand politics since the 1920s. Under the personable Mr Beetham it has broadened its appeal to encompass middle-of-the-road policies, the championship of free enterprise, and opposition to heavy foreign investment.

In a poll in which the only feature of the high 90 per cent turnout was an absence of any uniform swing, Social Credit improved its voting share by four percentage points and emerged as second party in 18 constituencies.

Mr Wallace Rowling, the Labour Party leader, described the overall result as the worst possible option for the country. The Government would find it impossible to govern with 46 seats in the 52-member Parliament.

A aside of feeling over the controversial Springbok rugby tour influenced the poll, generally favouring the Government in the rural centres but telling against it in the cities particularly in the Wellington area where it attempted to form a government. So far, however, Sir David, a former Supreme

Compromise hint on Sinai peace force

From Christopher Walker, Jerusalem, Nov 29

The Israeli Cabinet, meeting today at the hospital bedside of Mr Menachem Begin the Prime Minister, decided to postpone for 24 hours its decision on whether to veto the participation of Britain, France, Italy and The Netherlands in the Sinai peace-keeping force.

The official reason for the delay was medical advice restricting the time that Mr Begin — who is recovering from an operation for a broken hip bone — could preside over the meeting. But there was speculation that ministers wanted more time to consider a last-minute compromise put forward by the United States in an attempt to avert the threatened veto.

The force is to be deployed in Sinai after Israel's withdrawal next year in terms of the Camp David accord.

A special Cabinet session will be held in Jerusalem tomorrow to decide on Israel's stand, but neither Mr Begin nor Mr Ariel Sharon, the Defence Minister, will participate. Earlier, Mr Begin had said he would personally propose a veto because of European insistence on linking participation with the EEC's Venice declaration on the Middle East, which Israel opposes.

It is understood that the suggested compromise is in the form of a draft joint declaration of principle about the force which was hammered out in Washington on Friday during talks between Mr Yitzhak Shamir, the Foreign Minister, and Mr Alexander Haig, the United States Secretary of State.



Mr Shamir (left) in Washington with Mr Haig, with whom he had a marathon negotiating session.

Before this morning's Cabinet session in Jerusalem, Mr Begin, Mr Shamir and Mr Sharon held private talks to formulate Israel's stand. It is believed that the proposed statement will be presented to the Cabinet tomorrow with a number of amendments to the version which emerged from the State Department talks.

Although uncertainty still surrounded the threatened veto, there were signs tonight that Mr Haig may have at least succeeded in getting it postponed. But there was no guarantee that a statement of principle on the lines demanded by Israel will be acceptable to Britain, France, Italy and The Netherlands, without a restatement of their original positions.

Israel radio indicated tonight that the government is hoping to restrict the statement to a simple affirmation that the force is being established in the context of the Camp David agreement.

In a radio interview Mr Shamir said his sudden visit to the United States had been to avoid a crisis in Israeli-American relations over

Pro-Arab Israeli protesters arrested

From Moshe Brilliant, Tel Aviv, Nov 29

The Israeli army used force to disperse some 200 Israeli left-wingers who demonstrated in occupied Ramallah in support of the Palestinian cause. Dozens of tear gas canisters were fired into the crowd and truncheon-wielding soldiers and border policemen pursued the fleeing men and women into side streets.

Forty-nine demonstrators were detained. Six of them were taken to Jerusalem for further interrogation and the others were sent home at 3 am.

The protesters comprised Jews and Arab citizens of Israel, including professors and students of Israeli universities, who had organized the protest against the military government's closing down of Sir Zeit, the largest Arab institution of higher learning in the country, after riots there.

In placards and pamphlets, the protesters also condemned the punitive dynamiting of homes in Beit Sahour and Bethlehem and the suspension of the PLO newspaper, Al Fajr.

The authorities had learnt of the planned demonstration and set up roadblocks on the approaches to Ramallah, but the protesters outflanked them using side roads. About a hundred assembled in Ramallah's main square and unfurled placards, reading "End the occupation."

NEWS IN SUMMARY

Police find six shot in Miami

Miami — Six people were found shot dead apparently with automatic weapons, on Saturday night in a fashionable suburban home. An anonymous caller told police that the bodies of the victims, including a baby, were at the ranch-style house. No drugs were found, but police said that automatic weapons were found strewn around the house.

Toxic oil is seized in Spain

Madrid — Civil Guards in western Spain have seized a consignment of toxic oil and arrested two people who were alleged to have been preparing to ship it to Madrid, according to sources in the capital.

The guards were said to have confiscated more than two tons of the oil. Contaminated Spanish oil has already killed about 200 people since May.

Inca treasures in museum theft

Lima — Police have detained more than 100 people in a big search for thieves who broke into Peru's National Archaeological Museum and stole 34 priceless gold and silver objects dating from the Inca period. Interpol has been alerted.

De Broglie case confusion

Four accused, but a whole system on trial

From Charles Hargrove, Paris, Nov 29

No wonder justice is always portrayed blindfold. When the politicians, the police and even the judges all go out of their way to keep it in the dark, it does not have to be an easy task discovering the truth.

After four weeks of hearings, the only thing that is certain about the Broglie case is that the scion of one of the leading aristocratic families of France, prominent politician, former minister and cofounder with M Valéry Giscard d'Estaing of the Independent Republican Party, was shot dead in broad daylight on a Paris street on December 24, 1976.

Even after the spectacular evidence given on Friday by M Michel Poniatowski, the Interior Minister at the time of the crime, and of all the leading members of the police hierarchy intimately associated with the investigation into the case, the reason why Prince Jean de Broglie was murdered is as unclear as ever. Nor is it any clearer who organized the crime.

The four men in the dock, including the one who confessed that he had actually pulled the trigger, appear increasingly as mere accessories or instruments in the murder. The officially stated motive for it, the wiping out of a debt of 4m francs (£370,000) lent by the victim for the purchase of a well-known Paris restaurant, no longer carries conviction with any of the parties to the trial.

The crime was no ordinary one. As one commentator wrote when the trial opened: "All bodies look alike. But they are not all of the same importance. The body of Jean de Broglie is of the highest importance." The man he was. But from the very outset, the politicians, the police, and even the judiciary succeeded in turning it into one of the biggest politico-judicial affairs of the Fifth Republic by all conspiring to trivialize it and hush it up.

Four days after the murder, M Poniatowski had triumphantly announced to the press that the police had

cleared up the case and the culprits were under lock and key. France might have some of the most skillful police investigators in the world, but the haste in putting the lid on the affair was bound to be suspect.

Nearly four years later, the satirical weekly *Le Canard Enchaîné* disclosed that if the police had proved so efficient, the reason was that three months before the murder, they had known about the crime and the men who were planning it, thanks to the report of a reliable police informer.

The question which immediately sprang to everyone's mind was whether the Minister of the Interior, who controlled the police, had also known about these plans. Furthermore, why was it that nothing had been done to warn the victim and to take adequate steps to protect him? And why neither the minister nor the police had ever mentioned the police informer's report to the judge investigating the case?

M Poniatowski declared in court last week that he had only learnt about the report of the police informer four days after the crime. He had not mentioned it because he was sure the judge knew about it. A well-known judge investigating the case declared in court that once he had obtained the police report "by devious means," he had not put it on the official file of the case because he had given his word not to do so to the person who had procured it for him.

So for the past week, and doubtless for those to come, the Paris assizes hearing the case of the murder of Prince Jean de Broglie have been trying not the four men in the dock, who seemed almost strangers to the affair, but the liberties taken by politicians, police officers and even judges with the law they were supposed to serve, and the methods they felt entitled to resort to.

Danes fear stalemate

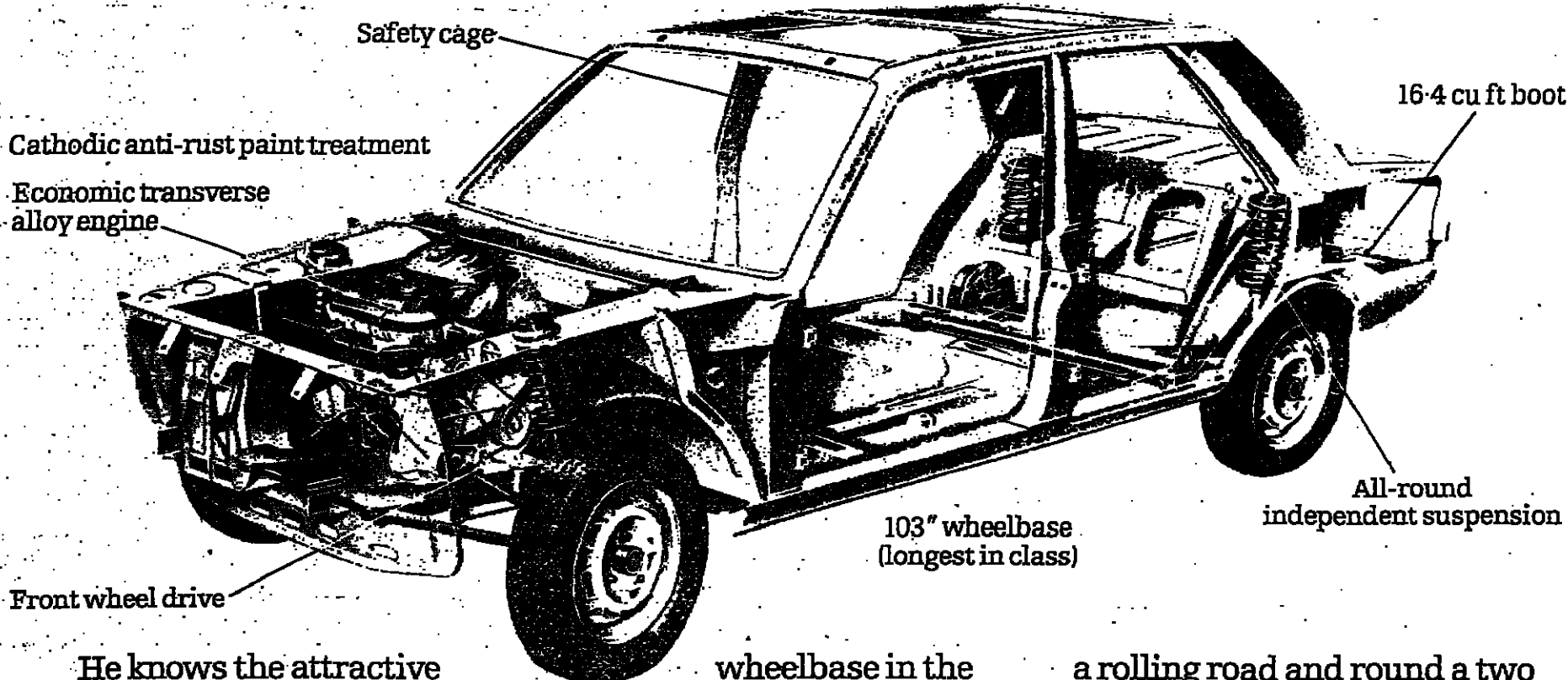
From Christopher Follett, Copenhagen, Nov 29

An opinion poll published today in the influential *Jyllands Posten* indicates little sign of an end to the political stalemate in Danish politics, where neither the left nor the right enjoy a workable parliamentary majority. But it does predict a clear swing towards the Conservative Party away from the ruling Social Democrats.

General elections are to be held on December 8. The Social Democratic minority Government of Mr Anker Joergensen, the Danish Prime Minister, fell over economic policy.



IT'S WHAT'S UNDERNEATH THAT PUTS THE PEUGEOT OWNER ON TOP.



He knows the attractive body hides a wealth of excellent mechanical features.

A transverse alloy engine, giving him lively and economical performance.

Front wheel drive for better roadholding.

All-round independent suspension and the longest

wheelbase in the class for a smooth comfortable ride.

Plus a large boot, a safety cage and a revolutionary new anti-corrosion treatment system.

No other comparable saloon is built like a Peugeot 305. Every single engine is checked three times, on a bench,

a rolling road and round a two mile test circuit. Over 12% of our workforce are in quality control, checking every part.

Yet having the best doesn't mean he has to pay more for it.

If you go to your Peugeot dealer he'll show you a quality car for the price of an ordinary one.

PEUGEOT 305
TAKE PRIDE IN PRECISION

PRICES START FROM £4,460. THE 305 RANGE OF SALOONS. 6 MODEL OPTIONS, PETROL AND DIESEL. For the address of your nearest dealer check Yellow Pages. Diplomatic, Nato and personal export inquiries Peugeot Park Lane, 63/67 Park Lane, London W1Y 3TE. Tel: 01-499 5533. Price correct at time of going to press.

Chad will recall Libyan troops 'if OAU fails'

From Charles Harrison, Nairobi, Nov 29

President Goukouni Oueddei of Chad signed a formal agreement yesterday, along with other African leaders, for an Organization of African Unity peace-keeping force to operate in Chad.

The OAU force is being formed to replace the Libyan troops who were recently withdrawn from Chad after pressure from African countries.

But President Goukouni, who had tried unsuccessfully to convince the African leaders here that the OAU force should be authorized to fight against his opponents, expressed reservations about its ability to control the situation in his country.

He told a press conference that he would not hesitate to ask the Libyans to return if the African force failed to live up to his expectations.

"If our young army does not manage to maintain order, and if the OAU hesitates, the Chadian government has the right to appeal to friendly countries for troops to put down the rebellion — and the OAU will not be able to say a thing," he said.

When asked if he would appeal to Libya or France for troops in such circumstances, President Goukouni replied: "Why not appeal to

Libya? We are not enemies, we are friends."

The meeting here, at which President Moi, chairman of the OAU, presided, ended yesterday with agreement on arrangements for the OAU force. Zairean and Senegalese troops have already arrived in Ndjamena, and are due to be followed by a larger force from Nigeria, which will also supply the force commander.

Benin and Togo are also likely to send troops, but OAU officials said they did not know whether Guinea would now contribute to the force.

The headquarters for the OAU force is to be set up by December 2. All troops are due to arrive by December 10, and they are to take up their positions — each contingent being responsible for a different area of Chad — by December 17.

Tripoli. — Colonel Gaddafi has declared that Libya will remain neutral if fighting breaks out again in Chad, according to the official Jams News Agency (AP reports).

He said Libya would continue to offer Chad economic support for reconstruction and not abandon its people to be "victims of the United States, Western Europe and reactionary African or Arab countries".

Eanes cements African ties

From Jill Joffe, Maputo, Nov 29

President Antonio Ramalho Eanes of Portugal returned to Maputo last night after a two-day tour of central Mozambique. He visited the Cahora Bassa project in Tete Province, a \$2,000m (£1,000m) hydroelectric scheme which will supply southern Africa with most of its power.

The Cahora Bassa dam was begun before Portugal's 1974 revolution, but was not nationalized after Mozambique's independence. Almost 87 per cent of its capital is Portuguese.

Tete Province has been worried by the activities of the Mozambique national resistance guerrillas opposed to the Frelimo Government, but President Eanes travelled in relaxed security conditions

Security stepped up around Mitterrand

From Our Correspondent Paris, Nov 29

In the past few days security measures have been stepped up around President Mitterrand, at his home in Paris and at his country retreat in the Landes.

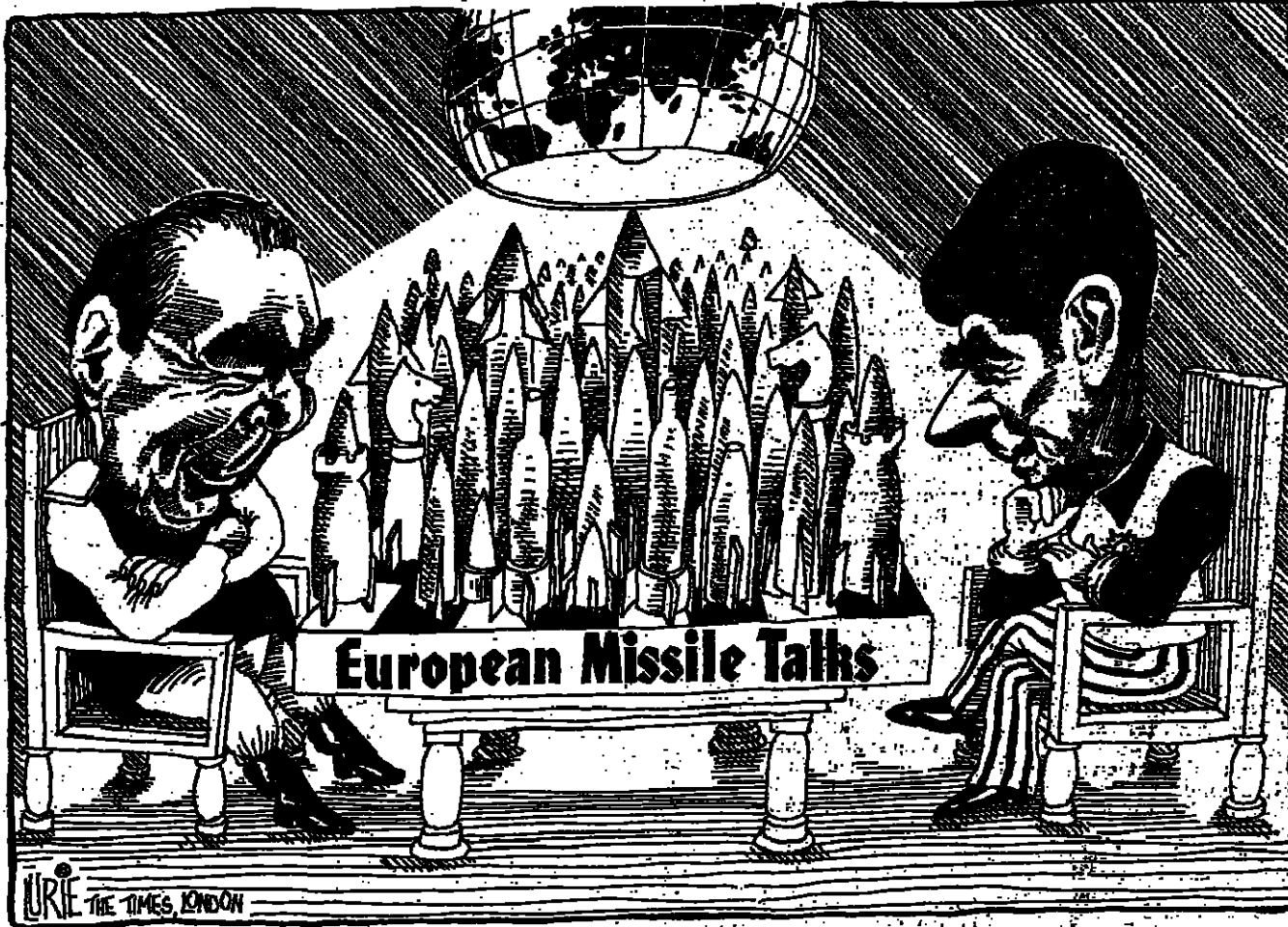
Several incidents recently have worried the President's guards. A week ago, in an assault on a reservist camp near Foix (south of Toulouse), a dozen masked men seized weapons after over-coming guards. They took their time choosing 113 machine pistols and four heavy machine guns. According to M Charles Hernu, the Defence Minister, the arms as in other reservist camps, were "neutralized" but could easily be made operational.

The Secret Army Organization Delta claimed responsibility for the raid. M Mitterrand is to start an official visit to Algeria tomorrow and Delta wants to prevent the handing over of archives, brought to France when Algeria was given independence. France promised to return the archives, which are said to be politically incriminating, and which have already aroused much controversy here.

Delta has already been heard of as a branch of the OAS (Secret Army Organization). Besides threatening to destroy the Algerian archives, Delta is also threatening "military actions" against French Government officials.

In addition to Delta, the recent activities of Armenian terrorists and signs that extreme right-wing organizations are re-grouping have disquieted those responsible for the President's safety.

But General Jean Saurin, who is in charge of presidential security, will not find his job easy. M Mitterrand considers the Elysée Palace as his office, returning nightly to his private residence in the Rue de Bièvre, a quiet street on the Left Bank.



Nowhere to move

Pretoria denies hand in Seychelles fiasco

From Michael Hargis, Johannesburg, Nov 29

A deeply embarrassed South African Government has issued strong denial of allegations in black Africa and at the United Nations that it was involved in last week's failed coup against President Albert René of the Seychelles.

Mr Roeloff Botha, the Foreign Minister, said it was no secret that "at least two dissident groups" existed about the bizarre Seychelles affair, the few certainties are that the band of mercenaries involved in the attempted coup were recruited here and that about half of the 44 men being detained near Pretoria are South Africans.

and claiming to have considerable support for their cause in Africa and elsewhere.

"On each and every occasion their representatives were told categorically that it was the policy of the South African Government not to concern itself with adventures of this nature," Mr Botha's statement insisted.

Amid the welter of conflicting reports and rumours about the bizarre Seychelles affair, the few certainties are that the band of mercenaries involved in the attempted coup were recruited here and that about half of the 44 men being detained near Pretoria are South Africans.

The 44 were part of the mercenary group and hijacked an Air India Boeing 707, forcing it to fly them to Durban. When it became clear that the coup attempt had been bungled, they gave themselves up to South African police in Durban after five hours of negotiation.

Authoritative sources here have confirmed that Colonel "Mad Mike" Hoare, the mercenary leader of the 3 Commando in the Congo civil war in the 1960s, is among those being held.

About 300 British tourists have been stranded in the

Seychelles since the abortive coup (our foreign staff write).

While the British High Commissioner in Pretoria was attempting to get in touch with the tourists, confined in their hotels because of the curfew, Lord Carrington, the Foreign Secretary, assured the Seychelles Government of British support.

In London, Seychelles exiles claimed that they were behind the attack. "We backed last week's attempted coup with financial and other help," said Mr Paul Chong, spokesman for the exiles, "for people living in Britain who oppose the present regime."

Strike ban powers sought in Poland

Warsaw, Nov 29. — The Polish Parliament (Sejm) is expected to be summoned into session in the next few days to debate legislation to combat the country's political and economic crisis, well informed sources say today.

It will consider what amounts to a veto from the ruling Communist Party to grant the Government special powers which could include an outright ban on strikes and imposition of a state of emergency.

The Party's central committee said in a resolution adopted last night after a two-day meeting that extraordinary powers were indispensable to counter actions which threatened the very existence of Poland.

The resolution did not spell out the precise nature of the emergency powers, but it recalled that successive attempts to end strikes had been ignored. Parliament has twice held back from a ban since Polish workers won the right to strike in their August 1980 labour revolt.

Government and Solidarity reports at the weekend indicated that talks between them on the economic reform programme, due to go into effect next year had revealed major differences. It was made clear that it would not submit meekly to a law depriving it of the right to strike — Reuters.

Leaders of some 100,000 striking students called an emergency meeting today to discuss new plans for the national student association, which is coordinating the biggest student protest in the communist bloc, against Solidarity for help and support for their strike. — AP.

[A new Solidarity weekly magazine, Self-management, began publication today. The agency JAP reported today. — AFP.]

Law Report November 30 1981

Domicile of pre-1974 wife

Inland Revenue Commissioners v The Duchess of Portland.

Before Mr Justice Nourse.

[Judgment delivered November 26.]

A woman married before the Domicile and Matrimonial Proceedings Act 1973 and domiciled in England at the time of her husband's death was held to be domiciled in England at the time of her husband's death.

Although the purpose of the 1973 Act was the abolition of a wife's dependent domicile, a woman married before 1974 wishing to revive her domicile of origin had not only to have an intention to cease living permanently in England but had also to take up residence permanently in another country, leaving her husband if necessary.

His Lordship, allowing an appeal in the Chancery Division by the Crown, held that the Duchess of Portland (at the date of hearing before the Special Commissioners, Lady William Cavendish-Bentinck) had a domicile of origin in England. They lived in London but the Duchess always intended to return to Quebec should her husband predecease her or agree to go with her. She owned and kept for their use a house at Metis Beach, Quebec. Every year she spent about two weeks there.

Mr W. A. MacPherson, QC, for the Duchess.

MR JUSTICE NOURSE said that the Domicile and Matrimonial Proceedings Act 1973 was enacted to abolish "the last barbarous relic of a wife's servitude" — the domicile of

dependency. Section 1(1) placed women, marrying after the coming into force of the Act, in the same position as any other individual capable of having an independent domicile.

However, section 1(2) provided the position of women married prior to the Act and provided that, if the domicile of a woman came into force a woman was married and then had her husband's domicile, by dependency, she was to be treated as having the domicile of choice, if it is not also her domicile of origin, unless and until it is changed by the domicile of another country.

Thus the effect of section 1(2) was to reimpose the domicile of dependency on the domicile of choice, unless and until it is changed by acquisition or revival of another domicile.

The concept of an "imposed" domicile of choice was not one that was easy to grasp but the force of the subsection required it. Accordingly the Duchess was to be treated as if she had acquired an English domicile of choice, even though the facts established that that would have been an impossibility in the real world.

It necessarily followed that the question whether, after the Act came into force, the Duchess abandoned her English domicile had to be determined by reference to the test appropriate to the abandonment of a domicile of choice. That test was contained in Rule 13 (1) of Dicey & Morris, The Conflict of Laws.

It was not disputed that the Duchess had ceased to intend to reside permanently or indefinitely, and not otherwise.

It was not disputed that the Duchess had ceased to intend to reside permanently or indefinitely, and not otherwise.

Mr W. A. MacPherson, QC, for the Duchess.

MR JUSTICE NOURSE said that the Domicile and Matrimonial Proceedings Act 1973 was enacted to abolish "the last barbarous relic of a wife's servitude" — the domicile of

dependency. Section 1(1) placed women, marrying after the coming into force of the Act, in the same position as any other individual capable of having an independent domicile.

However, section 1(2) provided the position of women married prior to the Act and provided that, if the domicile of a woman came into force a woman was married and then had her husband's domicile, by dependency, she was to be treated as having the domicile of choice, if it is not also her domicile of origin, unless and until it is changed by the domicile of another country.

Thus the effect of section 1(2) was to reimpose the domicile of dependency on the domicile of choice, unless and until it is changed by acquisition or revival of another domicile.

The concept of an "imposed" domicile of choice was not one that was easy to grasp but the force of the subsection required it. Accordingly the Duchess was to be treated as if she had acquired an English domicile of choice, even though the facts established that that would have been an impossibility in the real world.

It necessarily followed that the question whether, after the Act came into force, the Duchess abandoned her English domicile had to be determined by reference to the test appropriate to the abandonment of a domicile of choice. That test was contained in Rule 13 (1) of Dicey & Morris, The Conflict of Laws.

It was not disputed that the Duchess had ceased to intend to reside permanently or indefinitely, and not otherwise.

It was not disputed that the Duchess had ceased to intend to reside permanently or indefinitely, and not otherwise.

Mr W. A. MacPherson, QC, for the Duchess.

MR JUSTICE NOURSE said that the Domicile and Matrimonial Proceedings Act 1973 was enacted to abolish "the last barbarous relic of a wife's servitude" — the domicile of

The biggest ever guaranteed return of any National Savings Certificate

National Savings Certificates have always had a unique appeal to the lump sum saver.

The return they offer over a five year term is guaranteed, even if, during that period, there is a fall in other interest rates.

The new National Savings Certificate, the 23rd Issue, is no exception. And the guaranteed return is the biggest ever: 64.8% after five years.

This is equivalent to a compound annual interest rate of 10.51% over the full term.

Every £25 invested becomes £41.20 and the £5,000 limit becomes £8,240.

New interim rates

If you choose to cash in the new Certificate before the completed term — this usually takes about a week — the interim

rates are the best ever, too. They start from 9% at the end of the first year.

Not a penny of tax to pay

The return is free of U.K. income tax at all levels, and capital gains tax. It does not even have to be declared on your tax form. Tax exemption of course is a considerable benefit and if for example you pay tax at the standard rate it makes the gross return equivalent to 15.01% a year.

*Similar tax concessions apply in the Channel Islands and the Isle of Man.

Increase your total holding

The new minimum purchase is a unit of £25 and the maximum is £5,000. But you may hold this amount over and above any other National Savings Certificates you have, including the Index-linked issues.

If you are looking for a guaranteed, tax-free return from your lump-sum savings, you won't find a better proposition.

The new 23rd Issue National Savings Certificate is on sale at post offices and banks.

Pick up a leaflet for full details.



National Savings Certificates

Where ignorance is a defence

Secretary of State for Trade and Industry v Hart.

Before Lord Justice Ormrod and Mr Justice Woolf.

[Judgment delivered November 24.]

Where a person was disqualified for appointment as an auditor of a company because he was already a director, secretary, or manager of that company he was not guilty of an offence under section 13 of the Companies Act 1976 unless he knew that he was disqualified.

The Secretary of State for Trade and Industry, appealed to the Divisional Court by way of case stated against the decision of Mr Edward J Branson, a metropolitan stipendiary magistrate at Wells Street, on April 7, 1981, that the respondent, Mr William Peter Hart, was not guilty of acting as an auditor of AMP Ashby Metal Fabrications Ltd and Angus Safety Equipment Ltd knowing that he was disqualified by reason of being a director and secretary of the first company and a director of the second company.

Mr Alan Moses for the Secretary of State responded in person.

MR JUSTICE WOOLF said that the respondent had acted as an auditor when he was disqualified was not in dispute. The only issue was whether he had the necessary mens rea to constitute the offence.

Before the stipendiary magistrate, the respondent contended

that he was in ignorance of the statutory provision. The magistrate doubted that the respondent knew of the prohibition and so the mens rea was lacking. Accordingly the prosecution had failed to establish a case within the criminal provisions of section 13.

The Secretary of State was concerned with that view. The law was convenient to look from the Companies Act as it was in 1948. Section 161(2) disqualified certain officers of a company from holding the appointment of auditor in the same company. Section 425 defined the term "officer" as including a director, manager or secretary. That section disqualified the respondent from holding office as an auditor.

Prior to the Companies Act 1976 there was only a criminal provision in respect of a body corporate. The position was radically changed by the provisions of section 13 of the 1976 Act. Section 13(1) provided that no person should act as an auditor when he knew that he was disqualified, and it is to be noted that he became disqualified he should vacate office. It was significant that section 161(2) in the 1948 Act contained an absolute prohibition, whereas section 13(1) of the 1976 Act was put in different terms.

Section 13(6) of the 1976 Act provided the category of persons who could be guilty of a criminal offence. It was with subsection (6) that the court was primarily concerned.

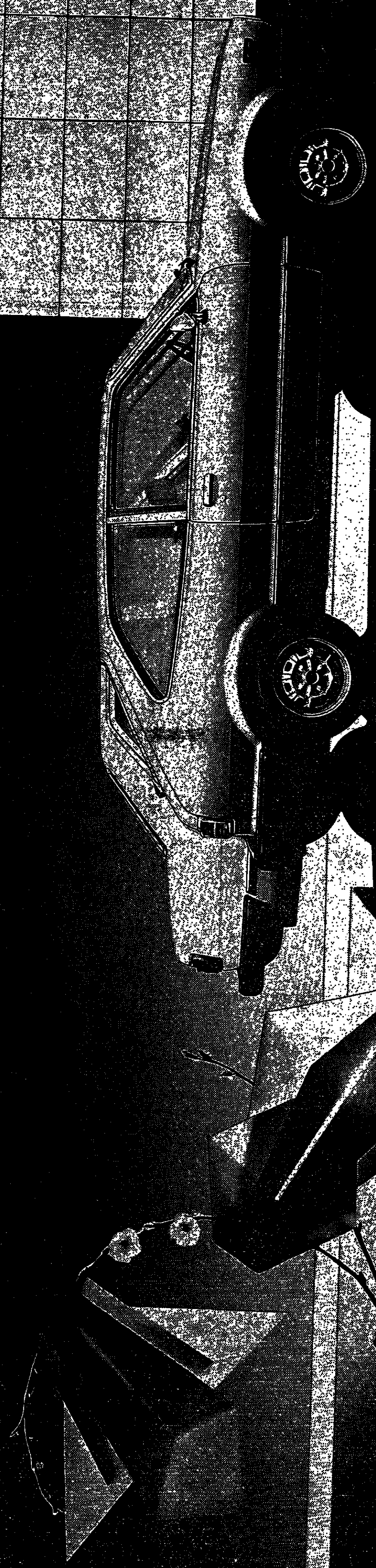
Mr Moses contended that when subsections (6) and (7) were read together, the provision was that a person was guilty if he knew the facts or circumstances which caused him to be disqualified but not the last act as an auditor. It was not necessary for a person charged under the subsection to know as a matter of law that he was disqualified or that he should know the provisions of the law.

In his Lordship's view the words of the subsection should be read in the ordinary way, and they said that a person was not guilty of the offence unless he knew he was disqualified from holding office as an auditor. The 1976 Act clearly required some element of mens rea.

Mr Moses contended that the offence was not absolute, but sought to introduce a limited form of knowledge. However, it would be wrong to set an unduly high standard for the knowledge required. The magistrate's view was correct, which might mean that it would be necessary for the Companies Act 1976 to be looked at again by Parliament as it might be unduly favourable to auditors.

LORD JUSTICE ORMROD agreed. The language used in the subsection was explicit. Unless the respondent knew of the offence, he was not guilty. Solicitor Treasury Solicitor.

Origami. The Japanese art of paper folding.



Honda. The Japanese art of car making.

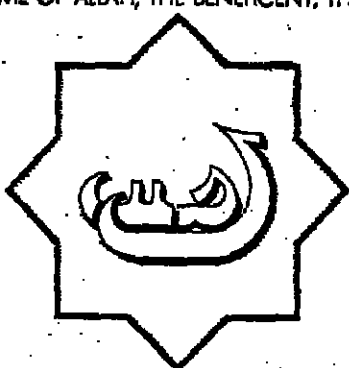
HONDA

Made with pride, driven with pride.

HONDA ACCORD, 3 DOOR HATCHBACK AND 4 DOOR SALOON. FOR THE NAME AND ADDRESS OF YOUR NEAREST HONDA DEALER CONTACT HONDA (UK) LIMITED, POWER ROAD, CHISWICK, LONDON W4 5YU.

BWIA, 20 Lower Regent Street, London SW1. Tel: 01-734 3796 for reservations or see your local travel agent.

IN THE NAME OF ALLAH, THE BENEFICENT, THE MERCIFUL



Opening of the Public subscription in the increase of the Capital of

DAR AL-MAAL AL-ISLAMI

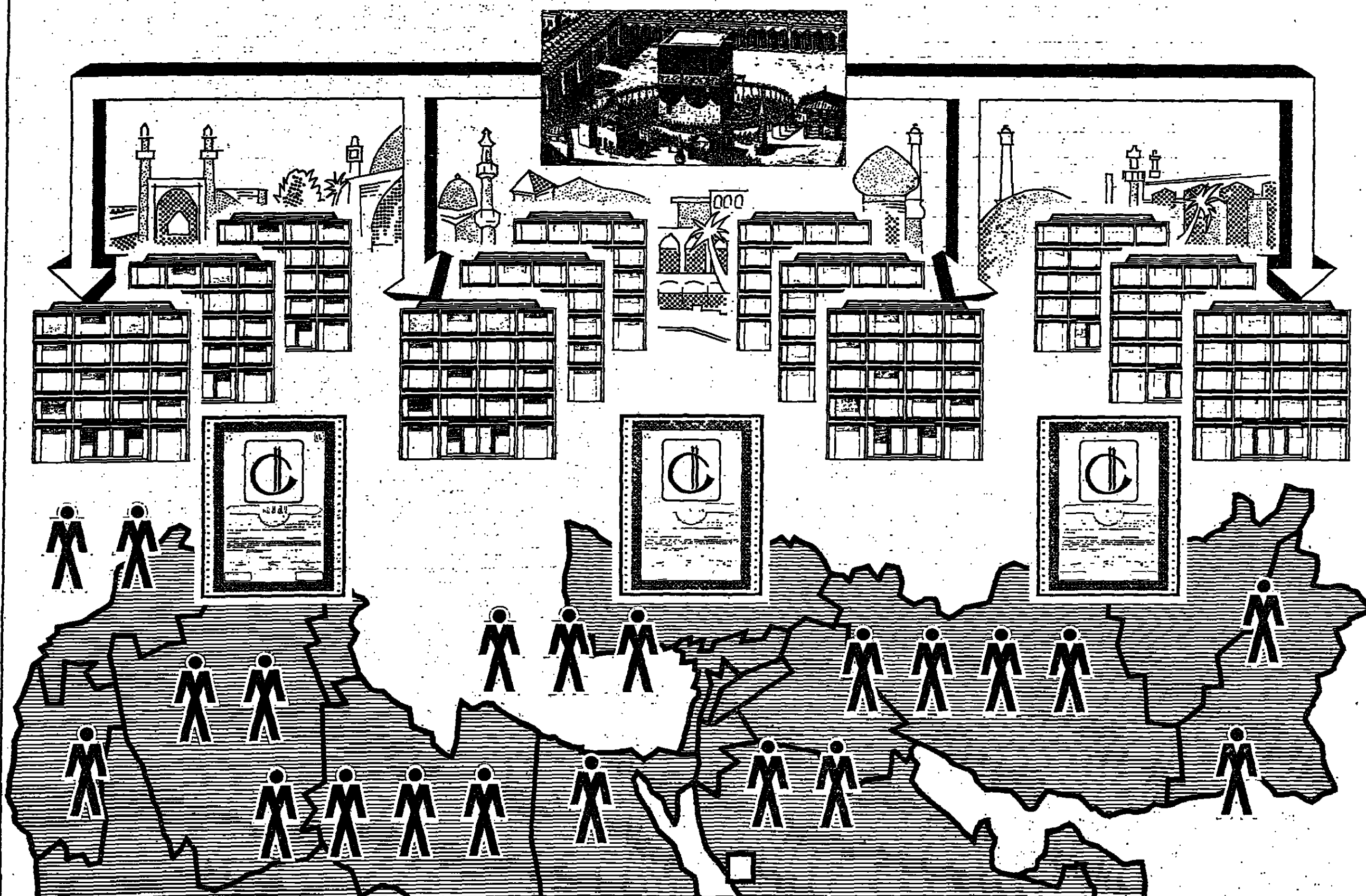
Bahamas

Authorized Capital US\$ 1,000 Million First Phase subscription US\$ 200 Million

- DAR AL-MAAL AL-ISLAMI has been established to alleviate the plight of "Riba" which plagued the Islamic Nation, "Believers have fear of Allah and waive what is still due to you from usury, if your faith be true; or war shall be declared against you by Allah and His Apostle. If you repent, you may retain your principal, suffering no loss and causing loss to none" Truthful is Allah the Magnificent. "He who alleviates a plight that afflicted the Muslims, would be rewarded the equivalent of a hundred martyrs." Truthful is the Messenger of Allah.
- To achieve the integration between the financial sources and the development capabilities of the Islamic Nation (Umma) and to achieve prosperity to all Muslims.
- To provide the opportunities to Muslims to perform their transactions in accordance with the rulings of the Islamic Sharia, where their activities in banking, investment and Solidarity are run by the most up-to-date methods in management.
- To lay the foundation for the future of our children, where they can practise the teachings of Islam in their daily life.
- To enable the shareholders and depositors in DAR AL-MAAL AL-ISLAMI to realise profits, by Allah's Will.

DAR AL-MAAL AL-ISLAMI'S ACTIVITIES ARE WITHIN THE ISLAMIC NATION (UMMA) TO ESTABLISH:Investment sector
(Islamic Investment
Companies)Islamic Solidarity
sector (Islamic
Solidarity Companies)

Islamic Bank sector

Islamic financing
companies sector
for specific enterprises**United Arab Emirates**

Sharjah P.O. Box 6129
King Faysal Street
SHARJAH - Phone: 353075-6
Telex: 68595-6 asas

Abu Dhabi

P.O. Box 7667 - Airport rd
Opposite Central Hospital
ABU DHABI
Phone: 337650

To the Arab Brothers

For further information please contact
the Offices of His Royal Highness Prince
Mohammad Al Faysal Al Saud in the
Kingdom of Saudi Arabia.

How to make the next summit show results

by Edward Heath

If the European Community is to grow in internal cohesion and international stature, its supreme political authority, the European Council of heads of state or government, must be able to produce more than disagreements or platitudes. The failure of the Council's meeting in London last week to agree on a common position on the major problems of agriculture and finance which beset the Community has given added urgency to the question of how the effectiveness of this crucial institution can be improved.

When the European Council was established as a regular event in 1973, it was seen as the only way to inspire the Community with a bold vision for the future and to create the political guidelines by which to turn this vision into reality. Although the Council was not conceived as a body for taking decisions of a detailed technical nature, it was most definitely not created to be the tea-party that into which it has often degenerated.

Practical experience, however, has shown that it is an illusion to believe that the European Council can leave all technical issues to ministers and officials. Many of the great tasks which face the Community today — monetary integration; industrial cooperation; the creation of a common energy policy; the development of more efficient common agricultural policy; budget reform — turn on the resolution of technical issues which involve decisions of a highly political nature. Often only heads of government have the authority to take these decisions.

Yet it is becoming increasingly clear that the European Council is, in general, failing to play either of these roles. With three exceptions — the launching of the European Monetary System in 1979, the reso-

lution on the Middle East at London in 1980 and the temporary settlement on Britain's budget contributions — it has failed either to take practical decisions or to provide a bold vision for the future.

I do not believe that the Council's disappointing record is a result of a serious defect in its institutional structure. To be sure, there are reforms which might modestly improve its effectiveness, such as creating direct links between it and the European Parliament and strengthening its responsibility for coordinating policy and the work of the Community's other institutions. Yet there are three other reasons for its ineffectiveness which are of far greater importance.

First, individual meetings of the European Council have all too often dealt almost exclusively with one major issue, such as financing the budget, in which one country's gain is another's loss. This is understandable. Not only are individual issues complicated enough in their own right, technically and politically, they also easily occupy the two days which are allocated to Council meetings. However, given the paucity of results from an immense expenditure of time, effort and political capital by heads of government at a succession of Council meetings, one must ask if it would not be wiser to aim to solve more than one issue at a time so that the "losers" in one area of policy are in a position to be "winners" in another.

Second, the European Council has been held hostage to the pace of the slowest member state. Yet there are tasks for the Community, such as cooperation in the development of high technology industrial products, in which progress can be made without the assent and participation of all member states. That is another reason why the European Council needs to pursue an industrial policy

less time to deal with the problems it is currently tackling if additional ones were to be considered as high priorities. But if these additional issues were to make possible a more balanced outcome to Council negotiations, in which no country is required to make a major concession in return for nothing at all, this is surely an approach which ought to be tried.

It is also essential for the development of public support for the Community that its leaders should devote more visible attention to issues other than the budget and agricultural reform. The development of a common foreign policy, vital though it is, is not enough. A common industrial policy is also needed which tackles the dire problems of industrial adjustment and increasing competition in high technology sectors from the Americans and the Japanese.

This, in turn, could help once again to inspire support for the Community from those on the left who, while not ideologically opposed to the Community itself, have become disaffected by its failure to be more closely attuned to their perspectives and ideals.

That leads to the second reason for the Council's disappointing record. It is that the major issues with which it has dealt have tended to be unexciting reasons, to touch the vital interests of all countries in the Community. All progress has therefore been held hostage to the pace of the slowest member state. Yet there are tasks for the Community, such as cooperation in the development of high technology industrial products, in which progress can be made without the assent and participation of all member states.

That is another reason why the European Council needs to pursue an industrial policy



Mrs Thatcher (with the Luxembourg Foreign Minister, Madame Flesch) at the London summit: there was never any chance of concessions to Britain.

as a high priority. While the principle of equality between the member states must be maintained, those which wish to forge ahead in the construction of the Community cannot indefinitely have their hopes and ambitions frustrated by others whose visions of Europe or concepts of sovereignty are wholly unable to accommodate such progress.

That leads to the third major obstacle to progress. It is the legacy of hostility which has characterized Britain's bargaining tactics in recent years coupled with interest in major European initiatives except in foreign policy and the removal of some barriers to trade between the member states.

As I learnt at Strasbourg the week before last, the other members of the Community were certainly not prepared to reach agreement with Britain on matters primarily affecting us, at a meeting under British chairmanship because of the way they had been treated at the 1979 Dublin summit and during other budget and CAP discussions.

We could have achieved so much more, for ourselves and for the Community as a whole, had we shown whole-

hearted interest in its development and welfare. For example, a strong British lead in creating a more effective common energy policy, including more generous arrangements for the preferential supply of North Sea oil to our Community partners at times of temporary shortages, would greatly increase their good will towards us in negotiations as well as being in our own economic interest.

The same is true for Britain's membership of the European Monetary System, which is politically and economically a priority of the greatest importance. Yet at the last week's European Council a British government again failed to understand this logic, although our chairmanship of the meeting gave us a unique opportunity to take initiatives of this kind.

The disappointing history of the European Council is not a sign that its importance has been overestimated or that it should be downgraded. On the contrary, it is the major potential driving force of European integration. That is why it must be given the wherewithal to play the role which since its inception history has assigned it.

© Times Newspapers Limited, 1981

This week a Labour MP will try to introduce a Bill to allow the eldest child of the sovereign to accede to the throne irrespective of sex. Bel Mooney considers the implications.

Nothing succeeds like succession

There is an eighteenth century print which shows two midwives bustling into the elegant drawing-room where a father-to-be is waiting. "C'est un fils, Monsieur!" is the happy cry, and Monsieur is throwing up his arms with joy — which is a little strange since the babe displayed cannot be less than three months old. The son and heir: *Ecos Puer*. This literary continues in maternity wards up and down the land — a boy, they say, ensuring continuity. Most families can indulge their patrilateral longings in private; land and title complicate the issue; but when we are forced to consider the succession to the British throne, we find ourselves, not surprisingly, knee-deep in statist prejudice.

Certainly that is the view of the Member for Nottingham West, Michael English is proposing a Private Member's Bill which will seek to bring our law of succession into line with that of Sweden, where, since 1979, the right of accession to the throne has passed to the eldest child, irrespective of sex. Strictly speaking the term primogeniture should imply just that — the right of the firstborn, just as ultimogeniture used sometimes to favour the youngest child. But in practice this system of inheritance gave land and title to the primogenitus — the firstborn male.

Needless to say, Michael English is not unaware of a certain impending happy event. He has timed his onslaught to coincide with the pregnancy of the Princess of Wales, saying that he believes in equality of the sexes and that, despite the many equalities that exist, this one is the hardest to change. Ensure the right of Prince Charles's firstborn to the throne, whatever its sex, and we will create a better climate in which to further the general cause of women.

Why should it be the hardest to change? Surely, if the Princess of Wales were to produce three or four daughters, all as charming as herself, few would publicly bewail the lack of a son. But the old common law of primogeniture is not about personalities. It throbs deep in the feudal memory of the nation — when decreeing that lands and titles must pass to the eldest son simplified matters, prevented the great estates from being broken up, and ensured that the families who they were dealing with.

Political expediency then — but more. The assumption of Demosthenes ("One thing is admitted, that males and the issue of males have the first title to inheritances...") was echoed in the *Lager Saxomun*: "On the death of the father or mother the inheritance goes to the son, not the daughter..." Under Saxon Law no woman could ever inherit (which is why the crowns of Great Britain and Hanover became separated when Victoria became Queen). By the late Middle Ages we sense a need to justify: "Because women lose the name of their ancestor, and by marriage usually transferred to another family, they participate seldom in the inheritance with males." It is left to John Knox to put it plainly: "The holy ghost doth manifestly say: I suffer not that women usurp authority over men."

Yet though the monstrous regiment of misogynists has much to say on the matter, I turn to feminist authorities (de Beauvoir, Greer, Rowbotham, et al) in vain. They would probably argue that the issue is peripheral — that we should do better to agitate for the abolition of the monarchy, than for an extension of its rights of princesses. Perhaps — but then we should miss a good opportunity for reform by stealth and example. Michael English has, enterprisingly, introduced one issue which both women's rights and those who are interested in the preservation of the monarchy should take seriously.

Both arguments hinge upon symbolism — that which the republican may dislike, but which he/she cannot deny. To take first the feminist issue of simple equality — how can we, as a nation, think it enough to write equality into the statute book, yet ignore that symbolic inequality at the heart of our system? — is it possible — with the magnificent reign of Victoria still in living memory, with Elizabeth II upon the throne and with a popular young Prince of Wales, that we can still acquiesce in the nonsense that would set that baby aside in favour of a subsequent child, if she is a girl and he a boy? Imagine if Prince Charles were to die, leaving three daughters, then, after a long gap, a son. Is it just that the eldest girl should be brought up as heir to the throne — only to be told one day, "C'est un fils, Monsieur!" — that we have been waiting for? — sorry, Your Royal Highness, you just won't do? — Michael English argues that to change that would reverberate right through our history and attitudes. — and I think he is right.

Those who fear the rule of women but love the monarchy should reconsider their prejudice

As for the diehard patriots — well, I suspect that with one woman reigning and another ruling, with Mrs. Williams waiting, and with the terrible possibility that the Princess of Wales might produce a primogenitus — a little epidemic of that common disease (known specially to gynaecotatrophobas) could sweep the clubs. But those who love the rule of women yet love the monarchy should reconsider their prejudice.

Why give ammunition to those who say that the institution is out of date? We have seen thrones topple; we have witnessed the rise of monarchy with Hitler, Mussolini, Stalin, Franco, Nasser, Sukarno as just a few shining examples; the presidency was diminished forever after Watergate.

Republicans may be right to call our monarchy anachronistic; what matters is that most people would prefer it to any other system. Yet the health of the monarchy can be judged by its ability to shift, imperceptibly with the times, "walkabout" as the golden coach.

It would suit the republican's purpose well if British conservatism were to defeat Mr. English's Bill. Then the finger of derision could be pointed at the Palace and the rumbling wheels well oiled — no more proof needed that the institution has outlived itself. It is an interesting thought.

But what if the force with monarchists (blue) to demand the commonsense equal rights for the Queen's grandchildren that we should all expect for our own.

© Times Newspapers Limited, 1981



Lord Harcourt, Covent Garden, instead of the Palace

He who would now be King

If succession of the oldest child regardless of gender were applied retrospectively to our monarchy, we should now be ruled by King George VI — George Harewood, that is.

The Queen would be Queen Patricia, not Bambi, I think. The Prince of Wales would be a 31-year-old Prince David. And Covent Garden and the opera houses and festivals of the United Kingdom would be basking in golden royal patronage. Our present Prince of Wales would be The Hon. Charles Mountbatten, son of Admiral and Lady Elizabeth Mountbatten.

Before King George until 1952 we should have been ruled by Queen Mary II, The Princess Royal, the eldest child of George V. If Parliament had passed the appropriate Bill (improbable), her husband would have been the Prince Consort. Would she have been called Prince Henry?

But if we are indulging in rewriting history, why should we stop there? We should go back to clever Vicky, the previous Princess Royal, Victoria and Albert's eldest child. Would she have been allowed to marry her gentle Fritz and become Empress of Prussia as well as Queen of England?

If so, would their twisted little son have grown up the way he did? Should we have had a European Community two generations before we did?

Why stop there? Mary Tudor would have succeeded before her half-brother Edward VI, at an age when she might have borne children. Spanish children? Might we still be a Roman Catholic country and have avoided the Civil Wars as well as the Armada?

How about the women in Crown's line? What about the proposal that Queen of Scots should marry Don John of Lepanto? What is sauce for the gander is sauce for the goose. If we are going to readjust matters for the royals, we shall have in history to do the same for the rest of us.

And that is going to entail readjustment of property, and names, and money particularly money, that will take us back to Genesis and keep the lawyers in business until the Last Trump.

Philip Howard

Socially Distinguished People

The membership of the Social Democratic Party is predominantly young, male and middle-class with an almost total commitment to the European Community and a strong desire to curb the power of trade unions. These are among the clearest findings of a detailed survey by Opinion Research Ltd for London Weekend Television's *Weekend World*, the details of which have been made exclusively available to *The Times*.

Nearly 10,000 questionnaires were sent to SDP members in 22 areas spread across the country. The 5,568 replies (representing about an eighth of the total party membership) provide the first real insight into who has joined the SDP, and why.

Of those who replied, two-thirds were male. More than half (57 per cent) were under 45, with the largest concentration coming in the 25-to-34 age group.

The majority (57 per cent) were in professional and managerial occupations, compared with only 16 per cent in the population as a whole. Only 7 per cent were in working-class jobs, compared with 53 per cent in the country at large. Those in lower-middle-class clerical and sales occupations were also poorly represented, providing only 10 per cent of the SDP membership, against 22 per cent of the total population.

Even allowing for a certain distortion resulting from the greater readiness of the

Attitudes of SDP members on major policy issues		
	In favour	Against
	%	%
Withdrawal from the European Communities	7	92
Incomes policy	89	9
Government investment aid for certain industries	79	19
Unilateral disarmament	22	78
Legislation putting employees in the board room	73	26
Curtailling trade-union immunities	72	24
Leaving nationalized/private industry frontier where it is now	72	26
Leaving private schools as they are	28	72
Assemblies in English regions	31	67
Outlawing the closed shop	67	31
Reducing tax relief on mortgage-interest payments	32	64
National assemblies in Scotland and Wales	58	41
Wealth tax	63	34
Raising tax to pay for higher public spending	55	41

middle class to fill in and return questionnaires, these figures show a staggering social bias in the SDP's membership. Admittedly, the party is likely to attract more working-class members as it moves from *Guardian* advertisements and membership by credit card to more orthodox methods of recruiting. But as yet it looks a distinctly middle-class club.

More than two-thirds of those who responded to the *Weekend World* questionnaire (67 per cent) had never belonged to political party before. Of those who had, the majority (15 per cent of all respondents) had been in the Labour Party. Altogether, a third had voted Labour in the last election, a third Liberal, and a quarter Conservative.

When asked to express in their own words why they had joined the SDP, the most popular reason (cited by 22 per cent) was because of the chance it offered to break the two-party mould. Other popular responses were support for the middle ground and the idea of a centre party (19 per cent), dislike of the extremism and polarization of the two big parties (17 per cent), and the leftward drift of the Labour Party (15 per cent).

The impression which these answers give is confirmed by the answers to the question about how SDP members see their party. Nearly twice as many (65 per cent) see it as a party of moderate reform as of radical change. It is significant that the majority would favour Roy Jenkins as the SDP's first leader in preference to the more radically inclined Shirley Williams or David Owen.

Another sign of the conservatism of the Social Democrat membership is that more of them (53 per cent) favour the election of the leader being in the hands of MPs to the more radical, one-man-one-vote principle being canvassed by Mrs. Williams, Dr. Owen and Mike Thomas. Though the figures are close, those who support the principle of election by MPs, as laid down in the party's draft constitution, will take considerable comfort from the findings of the survey, which suggest that they have a majority of the membership with them.

The answers on specific policy issues give a fascinating insight in some ways surprising picture of the political attitudes of the party's members. Their views are clearest on Britain's membership of the EEC and on the introduction of an incomes policy, on both of which the majority are in favour. On the other hand, the majority are against the introduction of a wealth tax, and in favour of leaving private schools as they are.

On the economy in general, SDP members agree with a broadly Keynesian line, supporting expansion on a scale sufficient to bring about a substantial fall in unemployment. More than

three quarters of those who replied to the questionnaire supported the idea of government investment in certain industries.

Given the strong middle-class bias, it is not surprising that a clear majority opposed the idea, floated in an SDP discussion paper on housing, of reducing tax relief on mortgage interest payments. However, the fact that only 28 per cent of SDP supporters would leave private schools as they are (of the rest, 54 per cent, would remove their tax advantages, while 18 per cent would integrate them in the state system). The strength of support for a wealth tax is also surprising.

The SDP leadership will be relieved to find that a clear majority (76 per cent) of party members agree with them on the subject of defence and disarmament. However, there may be some embarrassment about the strength of feeling against the unions revealed in the answers to the *Weekend World* questionnaire. The call for an end to trade union immunities, and for the outlawing of the closed shop, are one of the clearest demands of those SDP members questioned. It will be difficult to ignore and could well present the Gang of Four with a major problem as one of the clearest demands of those SDP members questioned. It will be difficult to ignore and could well present the Gang of Four with a major problem as one of the clearest demands of those SDP members questioned.

On the economy in general, SDP members agree with a broadly Keynesian line, supporting expansion on a scale sufficient to bring about a substantial fall in unemployment. More than

three quarters of those who replied to the questionnaire supported the idea of government investment in certain industries.

Given the strong middle-class bias, it is not surprising that a clear majority opposed the idea, floated in an SDP discussion paper on housing, of reducing tax relief on mortgage interest payments. However, the fact that only 28 per cent of SDP supporters would leave private schools as they are (of the rest, 54 per cent, would remove their tax advantages, while 18 per cent would integrate them in the state system). The strength of support for a wealth tax is also surprising.

The SDP leadership will be relieved to find that a clear majority (76 per cent) of party members agree with them on the subject of defence and disarmament. However, there may be some embarrassment about the strength of feeling against the unions revealed in the answers to the *Weekend World* questionnaire. The call for an end to trade union immunities, and for the outlawing of the closed shop, are one of the clearest demands of those SDP members questioned. It will be difficult to ignore and could well present the Gang of Four with a major problem as one of the clearest demands of those SDP members questioned.

On the economy in general, SDP members agree with a broadly Keynesian line, supporting expansion on a scale sufficient to bring about a substantial fall in unemployment. More than

Ian Bradley

Why Vincent Hanna is happy about Crosby

All sorts of things will not be the same again after Crosby, and one of them is Vincent Hanna, the BBC's late-night man on the spot. When I spoke to him yesterday, Hanna was almost as jubilant as Shirley Williams herself. The reason was the BBC's new election results prediction system which, it can now be told, came uncannily close last Thursday night to predicting not just the overall result but the actual number of votes cast.

At Warrington, and again at Croydon, the Beeb, with Nuffield statistician Clive Payne, honed a system which works like this. First you need to find eight polling stations whose catchment areas reflect accurately the social and political make-up of the constituency.

Then they came up with a grading of all polling stations from the most Tory to the least. Taking the top and bottom stations, they then added six others spread randomly between them on this "Tory" dimension and which covered the constituency social make-up. On the day of voting they interviewed every fifth voter as he or she came out of the station, paying particular attention to those who said they had switched their vote since last time. These figures were then amended in accordance with the relative sizes of the electorate (which in Crosby had grown by 2.2 per cent) and according to turnout (6.6 per cent lower last

week than at the General Election).

Hanna refused to look at the computer's final prediction in case he was tempted to use it on air but here are the figures, so you can see just how hard he is kicking himself:

	Actual votes
BBC prediction	22,428
Lab 22,325	5,454
Lab 22,325	2,118
Lab 22,325	5,285

In other words, in an electorate of 57,287, the nearest got the majority wrong by just 150 votes.

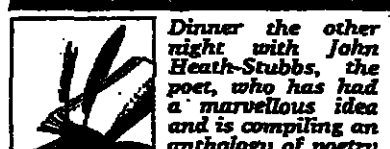
Olympian task

SOPHOCLES, tragedian; b. 495-496 BC, d. 406 BC, Sicily; of Sophocles, armour manufacturer, educ. Lamprus and Aeschylus; first prize Great Dionysia (18 times); led paeon to celebrate victory at Salamis, 480; president, foreign office tax board, 443; elected general, 440 (served under Pericles); elected priest, 421; member, Adv Comm Syracuse defeat fund, 413; publications: *Antigone*, *Oedipus Rex*, *Electra*; recreations: lyre playing, wrestling; club: *Thiasos ton Mouson*.

I am sure it won't read like that but Dr Michael Osborne, senior lecturer in ancient history at the University of Lancaster, is compiling a *Who was Who in Athens*. It strikes me as exactly the sort of thing he should be doing, especially as he will be attempting to list all known Athenians, famous and obscure alike.

It will be three to four years before *Times* readers can get their educated hands on the book but that's no time at all, of course, to a classicist.

THE TIMES DIARY



Dinner the other night with John Heath-Stubbs, the poet, who has had a marvellous idea and is compiling an anthology of poetry about science. At alchemy and magic — yes, these were not medieval concerns to anywhere near the same extent as in the Renaissance. So Heath-Stubbs will include *astro-astrology* and *anti-astrology* verse of this period rather than science poetry as such.

Three things have surprised him so far. The first is how much our early poets wrote about science. "I'm starting in medieval times and all the major names are there: Chaucer, Shakespeare, Marlowe, Spenser, Donne, Dryden, Pope, Keats, Wordsworth. And Milton knew far about science than Donne did, contrary to what most people think. He wrote the first English poem to mention the Copernican system."

Second, and also contrary to popular opinion, "the Renaissance was not a time when people — poets anyway — were interested in science. Astrology — per alchemy and magic — yes, these were not medieval concerns to anywhere near the same extent as in the Renaissance. So Heath-Stubbs will include *astro-astrology* and *anti-astrology* verse of this period rather than science poetry as such."

Third, and perhaps most surprising of all, many of the big twentieth century names will be largely absent from the anthology. Memo to any publisher who shares my enthusiasm: Heath-Stubbs (who is editing the book with an American professor) would love to hear from you.

Although the number of Knesset members has remained con-

stant at 120, there are no longer enough offices to house all the Parliament's various committees. The overcrowding has now reached a stage where about 30 MKs — a quarter of the membership — no longer have an office to call their own.

Related? Over the years I have come in the view that more and more of our behaviour is influenced by genes. Something that Evelyn Reynolds of Suffolk has sent me shows that a certain tennis star owes quite a bit to his ancestors. Here is an



John MacKenzie calling on Napoleon

extract from page 87 of Jean Duhamel's *The Fifty Days — Napoleon in England*: "At the beginning of 1815, one McKenro, or MacKenro, had been used for defamation in the King's Bench Division by Admiral Sir Alexander Cochrane, commanding the West Indies Squadron. McKenro was of German extraction, born in London, where he studied law. He was of sullen disposition, excitable, and had a stormy career. Eventually he obtained a minor judicial appointment in Tortola, an island in the Lesser Antilles. He saw to it that he did not have a quiet life there. He had hardly arrived before, wishing to draw attention to himself, he picked a quarrel with Admiral Cochrane, whom he accused of incompetence, even cowardice, for not attacking a French squadron weaker than his own. This squadron was commanded by Admiral Williams, accompanied by Jerome Bonaparte, and cruising in the same waters. 'Sir Alexander Cochrane, not prepared to have his character

blackened by such a nonentity, brought an action in London against McKenro. McKenro, in preparing his defence, did not hesitate to ask leave of the King's Bench to call as witnesses two characters, not only Admiral Williams and Jerome Bonaparte, but the Emperor himself. He clearly wished to create a stir and impress the public. This seemed more likely to succeed, obvious that he was already showing signs of excessive excitability (he was to end his days in Bedlam). Explains a lot, John, but watch that sting in the tail.

Blind proposal

The death of Lotte Lenya, over the week-end deprives us of the last hopes of a first-hand account of the turbulent partnership between Bertolt Brecht and her husband, Kurt Weill.

Lenya began writing her story shortly after Weill's death in 1950, but no publisher was interested at the time and she abandoned the project. However, she had a store of anecdotes about the two men with which she loved to entertain anyone who would listen.

My favourite is the account of how this effervescent Austrian actress came to marry the introverted, studious composer. "One Sunday afternoon I took him on a boat on the lake. He was very near-sighted and wore thick, thick glasses which fell into the lake. That was the afternoon he proposed marriage. I said later on: 'Kurt, would you have married me with your glasses on?' He peered at me, then said: '... I think so...'"

Quiz answers

1. The Jobs Express train left Newcastle last Monday for a five-day journey to London, picking up 300 unemployed youngsters, job trainees and students on the way.
2. Lord Hailsham rose from the Woolpack to challenge Lord Longford's suggestion that the Home Secretary had been bribed by the Tory Party.
3. The legalization of brothels in certain areas is to be considered.
4. The Transport Minister is considering a Beeching-type inquiry into British Rail.
5. Mr Jocelyn Stevens was sacked as chairman and managing director of Express Newspapers.
6. The trainee, John Edwards, bought back his sleeping-chamber, Good Prospect, from the Prince of Wales.
7. Mobil Oil raised its offer for Marathon Oil last Thursday.
8. A British contingent of about 100 men will join the proposed peacekeeping force in Sinai next week.
9. The Government announced its decision to close the Royal Navy dockyard at Gibraltar.
10. Mr Harry Bass became an involuntary chat show host on Radio Bristol when a phone conversation with his son was interrupted.
11. The number of registered members in the EEC will reach 10 million by the end of this year, according to the EEC Statistical Office.
12. A reshuffle of shadow cabinet members took place last week.
13. The Government are giving British Rail an extra £110m to compensate for the drop in rail traffic caused by the recession.
14. British Telecom are to order 600m worth of electronic telephone exchange equipment.
15. Several men were found guilty of smuggling two crates.

Peter Watson



P.O. Box 7, 200 Gray's Inn Road, London WC1X 8EZ. Telephone: 01-837 1234

THE TALKING STARTS

If the Russians were devilishly clever they would turn up at today's opening of the Geneva talks on intermediate-range nuclear forces in Europe saying they were ready to sign the "zero option" on the spot and go home tomorrow. The Americans could hardly refuse, since that is just what they have offered. The result would be that Nato could not deploy any of the new weapons on which it decided in 1979. The Russians would have to dismantle their SS-20s, SS-4s and SS-5s, but they could move forward a new generation of shorter range missiles to perform nearly the same function. The West could make up for some but not all of its lost capacity with other systems.

In fact of course, things do not happen like that. The negotiations will be long and arduous. But the fantasy is worth spinning to make the point that the opening American offer is not quite such a blatant attempt to tilt the military balance as the Russians and some nuclear disarmers claim. It is more in the nature of a slightly risky play designed to put the Russians on the spot and take the wind out of the sails of the protest movement. Strictly speaking it makes nonsense of Nato's claim that the weapons are vital links in the chain of flexible response, or that it is essential to have land-based missiles in Europe capable of hitting Soviet soil

in order to disabuse the Soviet Union of any idea that it could fight a war in central Europe and remain unscathed.

Of course, there is a respectable argument to fall back on, which is that the Nato weapons were never militarily necessary anyway, that they were a political response to European unease about the American commitment, but Nato has committed itself too firmly to the argument of military need to drop it without inconsistency.

The fact that Mr Reagan nevertheless embraced the "zero option" shows how large a part politics will play in the negotiations, and rightly so, for the initial significance of the talks is that the two super powers are now once again sitting together trying to put limits on the arms race. They have not done this since the Salt II treaty was signed in June, 1979. They would not be doing it now if it had not been for pressure from western Europe and especially from Herr Schmidt, the West German Chancellor. It was he who talked Mr Brezhnev out of his initial reaction to the Nato decision of 1979, which was that the basis for negotiation had been destroyed. It was also largely he, with much European support, who talked Mr Reagan out of his belief that there was little point in discussing arms control until America was

stronger and until the Soviet Union had changed its behaviour.

Obviously the rising ferment of protest in Europe was an important factor. It will be less active and less able to mobilize big crowds now that the talks are beginning, but it will remain in being, watching Geneva for results. This is no bad thing provided the right lesson is drawn, which is that protest was brought to its latest peak of influence not just by fear of nuclear weapons but by a fundamental loss of confidence in Washington and in Nato leadership as a whole, caused to a great extent by vacillations in American policy over many years, by the flawed thinking with which Mr Reagan's administration entered office, and by the confusion of its voices afterwards.

Mr Reagan started from assumptions that east-west diplomacy had to wait for the military strengthening of America, and that the western alliance could be pulled together on this basis. Both assumptions turned out to be wrong. In the nuclear age the world cannot do without continuous attempts by the super powers to bring their rivalry under some degree of control. This is what Mr Reagan has implicitly admitted by sending his negotiators to Geneva to help to heal wounds in the alliance as well as reviving hopes that the arms race can be capped.

A CHANCE TO OUTFLANK MR PAISLEY

Politics and security are interlocked in Ulster; events under either heading have repercussions under both. This theorem is commonly invoked to set limits to the law enforcement measures taken against the IRA, in recognition of the fact that coercive severity may drive an equivocal nationalist minority in Ulster into the arms of the IRA and may forfeit necessary cooperation with the authorities in the Republic.

That is a standing constraint on government in Ulster and should never be lost sight of. But it is not the only application of the theorem. There is now a different priority. The Government is in danger of so far losing the confidence of unionists that the situation may pass from its control. To put it bluntly — and they put it bluntly — unionists are coming to believe that the Government lacks the will to protect them against republican violence, and that there is an intention or a hope somehow or other to manoeuvre them out of the kingdom.

This requires a reordering of policy. It calls for convincing evidence of a determination to hunt and convict terrorists, and it calls for active encouragement of constitutional unionism to assist itself against Mr Paisley's flirtation with rebellion. The first requirement reinforces the second and is indispensable to it.

The prospect for both is quite good. The reinforcement of the army and placing

the RUC on emergency footing signified the right intention. The harsher denunciation of IRA crimes by Catholic clergy, shorn at last of qualification, may make that still large part of the Catholic community which practises its religion in a less reliable environment for gunmen. Police moves against suspects in the past few days are leading to a number of charges being brought.

A continuation of this effort is essential for the rehabilitation of constitutional unionism, which ought to be the Northern Ireland ministers' immediate political priority. The opportunity is there. Moves are afoot to strengthen the leadership of moderate unionism, which shows a new readiness to confront Mr Paisley now that he has put himself in a vulnerable position. No Ulsterman who values the union and is governed by reason can follow Mr Paisley in vilification of the elected parliament and leadership of the nation and in his show of usurpation of the civil power. If that is conduct for loyalists what is there for rebels to do? And so far as there are grounds for unionists to suspect the intentions of the British political establishment they are not found in any plan for disengagement, but in a loss of sympathy, a weakening of solidarity. That source of danger to the union is not checked but magnified by Paisleyism.

It has too often been the deliberate or accidental consequence of Westminster's

intervention in Ulster to break the political organization of the unionists. It is high time ministers concerned themselves with its reestablishment in a responsible form. The most helpful thing they could do to that end is ensure that the first and early fruits of the newly dignified apparatus for Anglo-Irish cooperation are a further improvement in security: in the form either of extradition from the Republic, or of an inter-jurisdictional procedure for questioning suspected terrorists, or means of uninterrupted hot pursuit across the border. Dr Fitzgerald, who takes a long and genuinely consensual view of Irish unity, might be found willing to cooperate in that priority.

The least helpful thing ministers could do to the same end, in the present state of unionist agitation, is to start once more cajoling the politicians into the kind of insinuation that they can enter only at peril of losing their constituents to others who will stand apart denouncing it. "Solutionism" should be forsworn for the time being. (And if anyone needs a refresher course in the intricacies of Ulster's constitutional problem he may read a symposium from Chatham House published today, in which experience for the most part triumphs over hope.) There is however some scope for developing province-wide economic cooperation and consultation, and ministers should restrict their institutional ambition to that for the time being.

It would equalize democratic values within the European Parliament, although small minorities would still have to be over-represented, as Scotland and Wales are at Westminster, and Westminster would still keep its three nominated MEPs.

Nevertheless, both friends and foes of PR, at least in Britain, ought to look twice and then look again at any seductively dressed-up proposals for a list system. Strasbourg itself has already jibbed at some abuses. Take the examples from many of the President Mitterrand's name stood at the top of the French Socialist list in the 1979 European election although he had no serious intention of taking a seat at Strasbourg; he was there merely to attract votes. Georges Spénale, one of the ablest Socialists in the European Parliament — and its former president — had his name arbitrarily deleted from the party list because he had given offence to the party leadership.

M. Jacques Chirac, the Gaullist leader, headed his party's European list, attended for a year, and then proposed that all sitting Gaullist members should resign en bloc and be replaced by the reserves on the party list. Nor did France alone in offending the Parliament's sense of *amour propre*. After the last election in the Irish Republic there were protests that the Strasbourg replacements had never been presented to electors in the PR party lists of 1979, and that they were therefore no more than nominees of a party caucus.

All in all, though the list system is well established in several Community countries that everlastingly proclaim the democratic virtues of PR and heap scorn on Britain's first-past-the-post, in practice it too easily becomes an abuse tool in the hands of party leaders and party managers. We might also say the list system can be the quango to cap all quangos, and even British advocates of PR should examine it with due suspicion. What goes now for European elections may soon go for domestic elections.

naturally, or what protected vested political interests.

Most of the obvious discrepancies have been sorted out by Mr Jean Seidinger, the pathfinder of the political affairs committee whose report will be considered in London this week and almost certainly adopted in its essentials. To root out the principal flaws the committee proposes a compromise between the British first-past-the-post election and the Continental list system that established British parties have rightly found repugnant.

The committee's model is the West German electoral system which combines plurality voting in single constituencies, where a candidate with most votes in the constituency is elected, and PR for the remainder of the seats. The Seidinger report suggests that half the MEPs should be elected by each method, and that each member state should determine its own single constituency and regional boundaries. In practice, the number of first-past-the-post seats gained by a party would be deducted from its PR list entitlement though, unlike in West Germany, each elector would cast only one vote. Where a seat fell vacant there would be no by-election, as would now happen in Britain; the next name would be taken from the original party list or the seat would be filled by the substitute for the elected representative (whatever that may mean).

Clearly some merit may be fairly claimed for such an ingenious hybrid that has proved its efficiency and simplicity in West Germany. It would preserve direct constituency representation of the British kind, although the European constituencies would have to be made even larger than they already are, in geographical as well as in numerical terms, to allow for the PR factor. It would correct the distortions that in June 1979 gave Conservatives 60 seats in England, Scotland and Wales, Labour 17, the Scottish National Party one, and the Liberals none.

LETTERS TO THE EDITOR

Police and local community relations

From the Chairman, the Greater London Tory Reform Group

Sir, Lord Scarman's report and recommendations emphasise once more the concern felt by many people about the degree of mistrust between the police and local communities in inner cities. It seems to us to be an urgent priority for the Home Secretary to change the police complaints procedures so that it can be seen that complaints are investigated impartially and independently, thereby encouraging confidence in the system. Such confidence will be further encouraged when ways are found to recruit larger numbers of police from the ethnic minorities, and deep consideration should be given to the approach to such a campaign. The Home Secretary should not be dissuaded from this course by oft-stated problems.

In addition, we welcome Lord Scarman's recommendations that a statutory duty should be imposed on police authorities and chief officers of police to establish consultative committees. If the present arrangements for the Metropolitan Police are to be retained, then this is even more important in London. The composition of such committees requires careful attention, however.

We note that Mr Whitelaw has stated that the Government will take action promptly on these and other points, but we urge the Home Secretary and the Government to give special consideration to Lord Scarman's references to the effects of social deprivation and unemployment as significant factors in the summer riots.

In his report Lord Scarman deals with the question of education of two groups; of the police trainees and of the youngsters in deprived urban areas. Until greater attention is paid to both, the underlying causes of friction will not disappear.

Yours faithfully,

JAY COUGH, Chairman, Greater London Tory Reform Group, 9 Poland Street, W1, November 27.

From Mr Douglas Dwyer

Sir, I think too many people, including my fellow West Indians, focus too much attention on problems between particularly our youth and the police, and giving the belief that if the confrontation problem with all its passions were solved all would be well. The problem with police youth and riots, and so on, are mere expressions of a deeper dissatisfaction in our people about total human justice and the chance to flower out by virtue of our innate talents, without the constant frustrations we experience.

Lord Scarman's report is an excellent one, and this is especially so given what he was asked to do. If nothing else it should alert most people here to

take us more seriously in a constructive sense. If the total problem seen from our point of view is honestly faced up to, and if there should be less dragging of feet in the elimination of the frustrations we are forever experiencing, we would be far more effective and would be young from the restiveness and unproductive ends they are often driven to follow. West Indians are anxious to make their full contribution to every facet of life here, but we do need far more encouragement than we have been getting so far.

For a start I think Brixton ought to have a theatre comparable to that at Hammersmith or the West End to allow latent talents there to flower out in a way that will not only surprise but will please by the sparkle that would attract world attention. Such things, and more, would serve a far more useful purpose than such unworthy enterprise as in which some people are working tooth and nail to ship us out and away to ensure "racial purity", whatever that means.

Yours sincerely,

DOUGLAS DWYER, 1 Cromwell Crescent, SW5, November 26.

From Mr D. Clarke

Sir, You quote (report, November 27) a Moss-side commentator as saying that those who want to read the Scarman Report will not be able to afford it, at £8 a copy. May I second that emotion? It is a sad state of affairs that a police journalist, I know that however munificent the media coverage of such a report seems to be, a great many nuances are necessarily lost. There is no substitute for reading the whole thing, and it is foolish and counterproductive of the Government to price this paperback at least twice too high. Certainly I, at least, simply cannot afford it.

Yours faithfully,

DONALD CLARKE, 28 Anaby Road, Tottenham, Middlesex, November 27.

From Mr Tom Hastie

Sir, Has Lord Scarman really considered the implications of his report at the national level? Are we now to understand that if people have what they consider to be a legitimate grievance and protest against it, but are not allowed to do so, then the police have a political gesture, then their grievances will be remedied?

Politicians constantly assert that they will never give in to violence. Have they now changed their minds? If that is the case, then the deprived and unemployed of the Midlands, Newcastle, Glasgow and South Wales know what to do.

Yours faithfully,

TOM HASTIE, 74 Monmouth Road, Battersea, SW11, November 26.

Wage-inflation tax

From Dr R. J. Laming

Sir, The arguments which you publish today (November 26) from Professor Richard Layard are just too, too simple. The effect of his proposed tax on wage bargaining would not be quite what he supposes.

On the basis that the human element in wage negotiations, it is to be expected that

(i) the government-announced norm will become the minimum; (ii) union wage negotiators will point out that since a company does not incur any net liability to pay tax until it grants a wage increase exceeding the going rate, it can certainly, so far as that tax is concerned, afford to pay that rate of increase; and (iii) certain unions will negotiate on the basis that their industries cannot be allowed to go bankrupt and any excessive liability to Layard tax will be financed by government subvention.

I can see two outcomes of Professor Layard's suggestion:

first, a slightly narrower spread of wage increases and, second, a substantial number of additional (and non-productive) posts in the Inland Revenue to monitor the scheme. But, by acknowledging that companies act in some effective collusion over the fixing of wage rates, it is easy to see that there will be no net restraint on the average rate of wage increases.

If Professor Layard had really meant his scheme to bite, he should have proposed that the inflation tax be attached to the excess wages, not to the company conceding them. A rate of tax greater than 100 per cent on the excess of wage rises above a government-announced norm would surely have some dramatic effect. Layard did not propose that idea?

Yours faithfully,

D. R. J. LAMING, The Psychological Laboratory, Downing Street, Cambridge, November 26.

The Bulldog's grip

From Colonel James Capadose

Sir, The wheel-clamp (report, November 19) is the perfect deterrent for illegal parkers, as I learnt the hard way a year or two ago in Algiers. After making my way by the back of the car to the police station, I had to queue at the main post office to pay the fine and then return to the police with the receipt. Thinking that, after all this, I was free to go, I hurried back to the car by the back. There was, however, a long wait for the traffic patrol to arrive to unlock the "sabat" as they rather delightfully called it.

What a costly waste of time! I shall never park in the wrong place there again. A regulated parking system is, after all, for the benefit and safety of all road users. Those who abuse it are merely saving themselves time and trouble at the expense of others.

The Automobile Association, according to *The Times* last week, objects to the use of this highly effective device; does anybody else?

Yours faithfully,

JAMES CAPADOSE, Kettle Cottage, Long Mill Lane, St Mary's Place, Sevenoaks, Kent.

When films are cut

From Mr Richard Need

Sir, The defence cuts are threatening another institution whose possible demise should not go unnoticed: the Naval Film Branch. For decades this department, working closely with the British "documentary" film industry and as hard taskmasters of it, has produced training films of a standard generally regarded as unsurpassed anywhere.

Less important evidence of this in the form of prizes, trophies and accolades from many countries, lies in glass cases in the Old Admiralty Building; more important evidence is screened every day in many languages. Outside the service, Royal Navy films (they are not all on military subjects) earn their keep throughout the world in industry, commerce, schools and hospitals, producing a regular income to the Treasury as a result.

While declaring my interest as just one of many film-makers who have worked with the Royal Navy over the years, it is not in that interest that I write. It seems that once again, a quietly effective part of our national asset, respected for its total freedom from any form of political propaganda, is to go because "somebody somewhere" has to be seen to be making "cuts". Yet the same "somebody" of funds this department could plainly be self-supporting, an idea which should appeal to any government.

Yours faithfully,

RICHARD NEED, 49 Booter Hill Road, Kingston upon Thames, Surrey, November 25.

The 'incompatible' Irish peoples

From Mr E. E. Williamson

Sir, In his letter (November 21) about the "incompatible" Irish peoples Mr Bruce says a number of very sensible things.

Unfortunately, there is a very serious fallacy in his first paragraph which weakens the rest of his argument.

The provisional IRA (not the IRA) and people like Dr Fitzgerald are not actuated by the same supreme ambition. The ambition of the provisional IRA of a socialist — more specifically, a Marxist/Leninist-Irish — republic. Dr Fitzgerald and those like him want nothing of that sort.

The old-style (pre-provisional) IRA, though quite capable of brutality, on the whole accepted some degree of restraint in use. The provisionals are ready, as they have amply demonstrated over the past 12 years particularly, to use any means because they believe that their desired end justifies this.

Unless and until this belief is recognized and understood for what it is, those who wish to achieve a peaceful Ireland, whether as one political entity or two, can have little hope, because what is required to achieve the essential foundation of an end to the violence — will not be done.

The protagonists are the Bri-

tish and Irish Governments and the Roman Catholic hierarchy in Ireland. None of them has as yet grasped the nettle in the best and most appropriate way which is different for each; and time is very fast running out.

Perhaps the most encouraging sign recently was Cardinal Feeney's clear pronouncement that it is a mortal sin for any Catholic to give aid and comfort knowingly to the provisional IRA. Would that he would take the next step and excommunicate such Catholics, after first excommunicating the provisional IRA members as individuals and as a group.

Such a sentence would not deter the hard line Provisionals. But it just might impress the less fanatic and it would certainly deter the great majority of Catholics who, faced with such a choice, would not be prepared to put their immortal souls at risk.

It would also help Mr Fitzgerald in his practical, political task in which more than anything else, would put an end to the easy raising of funds for the Provisionals from sentimental and ignorant Irish Americans.

Yours faithfully,

E. E. WILLIAMSON, Swanton, Clapton-Gordano, Bristol, November 26.

Fair play and the press

From Mr Louis Dolivet

Sir, Recently through *The Sunday Times*, *The Times*, and *The Observer*, my name was headlined and linked to Britain's latest sport: spy-hunting. Indeed one British editor is quoted in the *Washington Post* as saying: "It is a wonderful sport, chasing spies, isn't it?"

But it becomes a dangerous sport if the hunters lose their heads, shoot in all directions, hurting and wounding the innocent and in their frenzy almost forget the game they were after. In many hours of interviews with the British press I noted with sadness that the rules of fair play were grossly violated. The questions asked were full of innuendos and insinuations. Solid evidence against absurd allegations, articles and statements signed by the highest authorities of the democratic world were simply side-stepped and often not even read. Questions asked about the place of birth or religion, adding nothing to the validity or invalidity of an allegation, have no place in the arsenal of the free press. The deafness of many inquisitors left me with an option but to appeal to the judicial system of your country.

Despite the fact that it was Saturday, a High Court judge agreed to see us in his home in Hertfordshire. We invaded his charming little house, and were received with infinite courtesy although we had ruined their lunch. The judge, after hearing the parties, granted the injunction, forbidding that I be named in any way before a new hearing.

The next day, *The Sunday Times*, perhaps too hastily, headlined its article "Our spy story is gagged" and thus created curiosity and sensation all over the world and a Kafka-like nightmare for myself.

Many hours of the intelligence agencies of the free world were wasted in replying to frantic calls and in searches.

Despite the injunction, by the middle of the next week many people from Washington to Paris knew that I was the mystery man. Calls came from everywhere and I was woken many times at night.

Sentencing policy

From Mr M. J. Calvert

Sir, As a very humble member of the judiciary, albeit with some knowledge of the conditions at Wormwood Scrubs, I have every sympathy with the governor and prison officers but would respectfully suggest that Mr McCarthy (letter, November 19) should welcome the prospective implementation of section 47 of the Criminal Law Act 1977. I hope it can also be made to apply to sentences of under six months.

To liken this proposal to the suspended sentence is to ignore one vital factor. The suspended sentence is a threat. Unfavourably it is given to those who have been threatened many times before and who have seen these threats come to nought. Hence it is often disregarded by the criminal fraternity and a large proportion of these sentences are then activated.

The implementation of section 47, on the contrary, would not arm courts with another threat

but would mean they could with justice give a shorter period in custody. Mr McCarthy is surely asking for just this when, later in his letter, he suggests automatic release on licence for short-term prisoners. The difference between these two measures is that the Home Secretary is proposing that this release should be a judicial decision at the time of trial which is when the extent of punishment should surely be decided.

It is the duty of a court to find a punishment which is sufficient for the crime committed. They do therefore give still shorter custodial sentences if they were allowed to add a non-custodial sentence such as community service to be served during the suspended part of the sentence. If the prison position is to be reduced we must put more emphasis on non-custodial alternatives with bite.

Yours faithfully,

MICHAEL CALVERT, Ockley Court, Ockley, Surrey.

Subscription concerts

From the Chairman of the Royal Philharmonic Society

Sir, Your contributor Hilary Finch (November 18) draws welcome attention to the many advantages of concert subscription schemes such as those recently, or about to be, launched by the Philharmonia and London Symphony Orchestras.

In the brief historical introduction, however, a basic distinction is made between the situation in our regional centres, where such invaluable arrangements have long existed and that in the metropolis. We read "But until recently there was always thought to be nothing at all in the idea for London."

Can history be written thus? That innovator of public concerts in London and "vendor of small coin" Thomas Britton (1644-1714), for whom Handel played, charged admission by way of subscription at ten shillings per annum. Successive generations of concert promoters have, since then, sold tickets on a subscription basis, not least the LSO for its annual series at the Queen's Hall, until

World War II. The Royal Philharmonic Society has done so since its foundation in 1813 and, in this current 170th season, we number several hundred subscribers drawn from our membership of professional musicians and fellowships of music-lovers.

It is only in the post-war period — due to the dramatically large expansion of orchestral activity — that the subscription system has ceased to be widely popular. With such an enormous choice of concerts, daily throughout the year, can London's huge, relatively new and mainly youthful public be blamed for having chosen its musical fare on the *à la carte* rather than *table d'hôte* principle?

Neither system is tenable without performances of the highest possible standard, but our experience has shown that, in the long term, for the well being of promoter and public alike, the merits of the subscription system far outweigh other considerations.

I am, Sir, etc.

JOHN DENISON, The Royal Philharmonic Society, 10 Stratford Place, W1.

David Wood

A side door move towards British PR

For three days this week, starting on Wednesday, some leading members of the European Parliament will meet at Lancaster House to prepare proposals that may turn out to be the first direct elections for introducing proportional representation in England, Scotland and Wales. Leaders of the two main parties at Westminster will not fall in love with the idea at first sight, but surprisingly the Conservative European Democratic Group has given its blessing to the particular form of PR on which Strasbourg opinion is consolidating for the next direct elections to the European Parliament in summer 1984.

The Treaty of Rome ordains that the European Parliament should be elected by a uniform procedure. For June 1979, when the first direct elections took place, there was no hope of or time for achieving uniformity, and every member state of the (then) Nine was allowed to follow its electoral habit. The pure principle of parliamentary democracy was consequently flawed in many important ways, not only because Britain clung to its first-past-the-post method, whereas everywhere else (except in Danish Greenland) some form of PR was adopted.

Among other discrepancies there was no uniformity on entitlement to vote, voting age, equality of votes, minimum age of candidates, financing of parties, nomination of candidates, the role of established parties. For each member state it was a question of doing what came

THE ARTS

Television
Unclean thoughts

Everyman did not go quite as far in investigating the aura of shame surrounding masturbation as to call Sains Jerome and Ambrose male chauvinist pigs, but the epithet hung in the air. St Jerome expressed his view that there was "nothing as unclean as a woman in her period" and St Ambrose his "that Adam was led to sin by Eve", the latter hardly original as it were. However, sixteen centuries later there is no doubt that both would have been given a hard time. Before and after Jerome and Ambrose, the Church was pretty hard on women, in fact it was Tertullian, who referred to women as "The Devil's Gateway", the title of last night's BBC 1 programme. I am not sure of the context but Tertullian was very much a married man and until he became a heretic himself was a diligent hunter of heresy and I thought it just possible that he was being censorious about a particular sect, the Montanists. Be that as it may, he should have been more undiscriminating.

The idea that women's menstruating bodies were unacceptable to God as well as man was not peculiar to the Christian religion. Hindu and Moslem both overlaid this natural process with strictures and, consequently, guilt. Such guilt persists and producer Jenny Morgan carried out interviews with women of various creeds and, possibly, none, which supported this.

I thought it unfortunate that she did not manage to find anyone whose parents had been up to it and for whom the initial event had not been traumatic. Without taking anything away from her for an interesting idea, I thought the tone just a bit strident and the historical reflections seemed to pause about the seventeenth century. Surely in some part of the world, at least, it is not such a baffling happening now?

Anglia's The Medicine Men, which is being shown around the network at various times but which we saw on LWT on Saturday, is a series examining the claims of natural medicine which promises to be most rewarding and beneficial to the ignorant and sceptical.

It began by focussing on herbalism which, it appears — and there were two satisfied patients and much evidence to prove it — can offer relief especially in longstanding conditions when orthodox medicine has failed.

Principal adviser on the series is Brian Inglis, an early contributor to the view that doctors do not necessarily know everything and that alternative medicine has a role. The producer and writer of this reassuring programme was Lloyd Fraser.

Dennis Hackett

Theatre

An outline of grandeur

The Oresteia

Olivier

Michael Elliott once summed up classical revival as the art of awakening a sleeping dragon in its cave. From this definition, Peter Hall's long-meditated production of *The Oresteia* strikes me as a virtuoso invocation that does everything except activate rumbles in the lair.

You could make the same complaint against John Barton's Grecian cycle which the RSC staged last year. But, in spite of its length, *The Greeks* had a more modest ambition. It was a primary narrative exercise for a public who had forgotten the story. Hall's purpose is to recreate the Aeschylean tragic experience with sufficient strength to generate a communal response from the house. (At the conclusion of its five and a half hours, we are asked to stand for the exit of the Kindly Ones.)

To this daunting end, he has transformed the Olivier Theatre into a miniature Epidaurus, assembled an all-male masked company, recruited our finest theatrical translator, Tony Harrison, and followed the probably Attic procedure of imposing a continuous musical discipline on the work, with a score by Harrison Birtwistle.

From that list of credits it seems that the production marks a point of convergence for several lines of development inside the company. The architecture and mask work go back to the Christian religion. The music, the use of the spoken word, the impulse to feed his operatic experience into the theatre of the spoken word. Tony Harrison's text is an heroic expansion of his work with Bill Bryden's team on *The Passion*: a

strongly rhythmic, alliterative version, as down-to-earth as a nut or an apple, and calling for the kind of northern voices he had in the now-disbanded Cottesloe company.

The effect of this act of union appears in the first moments of the show. The eye takes in Jocelyn Herbert's stage: a text-book Greek design, complete with orchestra for the Chorus, flanked on each side by a parados exit and an upstage metallic skene with three lofty doors. I am ... watching", masked though he is the speech comes over like a Stanley Holloway monologue.

That is one of the few unaccompanied passages, but it is characteristic of the ensuing friction between high culture and peasant culture. Harmony might have been achieved, as sometimes indeed it is; through the mask work. Of the unattributed performances shared between a company of 16 actors, there are some — particularly the gold and scarlet Clytemnestra and the huge-eyed Cassandra whose voices transmit the sense of a supra-personal rite and whose masks visibly alter according to changing events. There are other masks that have not been learnt to speak; and with them you find yourself identifying the actor and wishing he would take the thing off.

This is particularly the case with the Chorus, on whom meticulous care has clearly been spent. Making a series of spectacular entries as greybeards (in the *Agamemnon*), women (in *Choephori*) and Furies (in *Eumenides*) they are subject to precise operatic discipline. Their text consists of verse para-

graphs, each paragraph conforming to one emphatic rhythm and fixed tempo, whether the lines are distributed or delivered in unison.

Except at moments of extreme emotion — as where Orestes falls into a nightmare waltz with the clinging Furies (pallid-visaged predators in seaweed draperies) — movement is limited to the statuesque attitudes of a frieze. And all too often the sense of the lines is muffled by the masks and blotted out by the rhythm. Instead of receiving a line of passionate meral argument, you are left with Mr Birtwistle's time-bomb ticking percussion and ominous harp chords, which merely suggest that something nasty is coming down the pipeline. When it arrives, his squealing woodwind and distorted rhythms raise the murders to the required level of extreme formality and extreme horror. But the meaning of the horror is obscured.

The central drama, a titanic contest between blood-loyalty and the loyalties of the human bond, emerges in letters a mile high. So does the figure of Clytemnestra as the dominating presence in a community that despises women. The production articulates such ideas in scenes such as Agamemnon's mastery, contemptuous return from Troy.

There is a grand outline, but the style excludes detailed interaction and reverberation of the tragic argument. I much admire what I could catch of Mr Harrison's text, and would welcome the chance of experiencing it in the humbler conditions — say at the Cottesloe.

Irving Wardle

Apollo and the Chorus of Furies in "Eumenides": operatic discipline



Dance

Swan Lake

Palace, Manchester

The most popular ballet ever made has rejoined Sadler's Wells Royal Ballet's repertory in a splendid new production that will give pleasure for years. This *Swan Lake* is doubly welcome for staying close to tradition (closer, probably, than the present Covent Garden version) and for rethinking every aspect to give it a logical point.

Credit goes to a team who have obviously worked closely and harmoniously. Peter Wright was in charge, and has acknowledged more help from Philip Prowse than a designer's responsibility entails. Galina Samsova as co-producer brings an apt Russian influence to the choreography and the style of dancing. Barry Wordsworth has upheld Tchaikovsky's share.

The only revolutionary change is a prologue, during the overture, showing Siegfried and his mother as chief mourners behind a crowned coffin. By establishing that the old king has just died, it puts the actions of the heir and the widow into focus, explaining his melancholy, her grim propriety, and the need for a dynastic marriage.

Act I becomes a surprise party to divert Siegfried. His grieving soul takes its proper music in an elegiac *pas de trois* (but surely the ladies who try to distract him must be from the court theatre, not courtiers as the programme says?). The prospective brides are announced by ambassadors; each arrives with her retinue, allowing Act III to enjoy an alternation of national dances, given more bite in Samsova's rearrangement, and bravura solos by Wright.

Prowse offers magnificent settings for those scenes, a gothic palace as seen through Russian eyes. The ballet's most famous scene, the lakeside, becomes Rothbart's lair, a ruined castle overgrown with creepers, mysteriously dark, with water glinting in moonlight just outside. It is the most imaginative reattribution of the original concept I have encountered.

I saw three performances, the company and the musicians making more of their chances each time. The orchestra, angry about an unpaid lay-off over Christmas, has considered and rejected a first-night strike.

All praise to the swan corps de ballet, especially the delightfully precise quartet of cygnets and Mandy-Jayne Richardson's ecstatic lyri-

cism as one of the leaders. Their men, proudly assertive in the new Polacca, deserve credit too, and almost all the supporting soloists, notable among them Lili Griffiths for her lilted style in a solo at the matinee, and Roland Price's Benno.

Happy the company that can present two such ballerinas as Samsova and Margaret Barbieri on successive nights. Samsova's interpretation is familiar; Barbieri has never danced this role — previously in England, and rarely elsewhere, yet she made the second act duet wonderfully eloquent, the third act dangerously seductive; only her first big solo suffered from indecisive arms.

Sherilyn Kennedy made an assured, smooth, but so far not at all individual first attempt at the role, with another debutant, Carl Myers, as her amiable boyish Siegfried. David Ashmore, dazzling in his solos, and the elegant Desmond Kelly, with Samsova and Barbieri respectively, gave more tragic readings of Siegfried. Kelly's even better when he plays Rothbart, a dominating villain in this production; he and Alain Dubreuil, who shares the role, were both booted at the end: a real tribute.

John Percival

84 Charing Cross Road

Ambassadors

The sight of Helene Hanff on the set of the bookshop she made famous and blinking under the applause of the town she could never afford to visit made Thursday's opening into the end of a fairly tale.

Miss Hanff's 20-year correspondence with the manager and staff of the above address has been justly accepted as a love affair conducted with great charm and wit. But love has to feed on something, and it was patently obvious to Miss Hanff (who took the trouble to keep her letters for future use) that she was doing more than elaborating a set of antiquarian book orders into a pen pals' relationship with Marks & Co.

In her eyes, the firm stood for the English cultural inheritance for which there was small outlet on the telly. Antiquarian authors were Sam and Geoffrey to her. And her correspondence with the stuffy correct manager, Frank Doel, blossomed into an exchange between a culturally deprived superpower and a culturally saturated Britain in the days of postwar austerity. There is no hint in the letters that Mr Doel or his colleagues ever

read a book; but they certainly perked up over her food parcels.

The play that James Roose-Evans has extracted and directed from the letters takes its form from a complete trust in the material. Mr Roose-Evans wholly proves his faith in the book as a theatrical text. The Hanff letters are funny to read, but as delivered by Rosemary Leach the lines really ring through the house. So does her study assault on the reserved Mr Doel (David Swift), first signing himself off "F.P.D." before relaxing into "Frank", and, in one recklessly abandoned moment (which I cannot trace in the book's "Frankie").

The production unobtrusively builds up the relationship inside the shop, with Barbara Ward and Charmian May furtively undercutting Frank's exclusive rights to the Hanff account, and indignantly correcting him should he happen to omit the firm's name. One by one they drop out, and the production, presenting what is only implied in the book, shows his growing isolation in the shop before his abrupt death, leaving even Miss Hanff without her Jane Austen order.

She was writing about an imaginary London. The play presents a vanished London, which many people, I think, will revisit with gratitude.

Irving Wardle

Concerts

Fire and fury — and aridity

LSO/Svedanov

Festival Hall

A savage performance of the Polonaise from *Eugene Onegin* shot the curtain up on Friday for half an evening at the Bolshoi Opera. Yevgeny Svedanov, their principal conductor, with two of his principal singers, Elena Obraztsova and Yuri Masurok, presented two neatly self-contained tableaux of arias from Russian opera.

After the Polonaise, Masurok sang arias from *Onegin*, *The Queen of Spades* and *Tolstoy*. Sometimes seeming over-conscious of the need to scale his performance to the concert platform, his firm, closely focused baritone, at times supple and bright with an almost lyric tenor quality, gave a solemn intensity to Hermann's love song, yet only rarely began to show signs of freeing its full expressive potential in the *Iolanta* aria.

Mr Svedanov, due to conduct Mussorgsky's opera *Khovanshchina* at Covent

Garden next October, gave us a foretaste of its vivid, starkly individual writing in the Prelude and an aria sung by Elena Obraztsova. Both this, and her Rimsky-Korsakov, a rare aria from *Kashchei the Immortal*, were about women with magical powers. Clad in flaming red, her hands clasped and spreading in ritual gestures, the unremittingly forceful projection of her vast dramatic mezzo was heavy with vibrato which blurred the melodic line, particularly deleteriously in her Tchaikovsky aria. It approached the border of archetypal-casting, threatening to impede, rather than promote, response to the music itself.

Inviting and receiving riotous applause after every movement except the third, out of which the finale burst with searing force, Tchaikovsky's fourth symphony was a masterpiece of manic sound and fury. In compelling some virtuoso and strongly galvanized playing, this tour de force could well have signified a great deal. That it signified so little, in the end, was due largely to Svedanov's unwillingness ever to let the music take a breath, be it a tug of horror or a flutter of elusive delight. Over-pressed tempi, resulting in coarse phrasing and a lack of textual selection, gradually flattened its human features, leaving us wondering at the workings of this infernal machine — yet strangely arid of heart.

Hilary Finch

Dancing
Mozart

Northern Sinfonia
Queen Elizabeth Hall

Whether coincidental or not, two all-Mozart concerts on the South Bank this weekend came as a reminder that next Saturday is the one hundred and nineteenth anniversary of Mozart's death. On Friday night the Northern Sinfonia even recalled the financial

strains and stresses of his last year, necessitating the production of dances galore for Vienna's Redoutensaal. Nothing in the programme in fact better revealed this chamber orchestra's excellent state of health than a delectable group of these 1791 dances (of course including the reincarnation of Figaro's "Non più andrai") selected by Ivan Fischer, one of its two present Hungarian conductor-directors. Buoyant rhythm was Mr Fischer's trump card. But with the subtlest contrasts of phrasing and shading to match those of tempo, he and his players helped to explain how Mozart bestowed immortality on even a waltz or quadrille.

Felicities of scoring came across with particular charm, not least in the artfully balanced, repeated, the lucky dip into K600 and K601.

After so much dancing Mr Fischer omitted the later minuet (K409) commonly included in the C major symphony, K338, we heard just the three movements completed in 1780. Perhaps so that its concluding tarantella (taken very fast) should sound all the dizzier. Mr Fischer approached the first movement seriously, emphasizing its pre-echoes of *Idomeneo* (and its daring modulation) rather than the vivace qualifying its allegro marking. The rich texture of the Andante was caught in an easy lyrical flow. Bassoon timbre was telling here even if balance went against the oboes in the flanking movements.

Before the interval, the *Adagio* and *Fugue* in C minor, K546 (this marginally too fast to reveal its full weight and intensity) served to introduce the A major Violin Concerto, K219, of 1775, with Stoika Milanova as soloist. Her performance was memorable for firm, ringing tone, clean-cut line and incisive articulation rather than intimate cooing of the music. The *Adagio* would have repaid more tenderness. But the *Finale*'s coquetry and burst of Turkish temperament encouraged a less objectively classical approach.

Joan Chissell

Alceste

Covent Garden

For Dame Janet Baker's farewell performances at Covent Garden, the Royal Opera House has done the decent thing and added Gluck's *Alceste* to the repertory. It is a noble French work, as historically important, and seldom staged anywhere these days.

The title role is a superb part for a great singing actress, such as Dame Janet has made herself during a quarter-century. *Alceste*, who offers to die in her doomed husband's place, is the opera's three-act heroine, a quantity of marvellously expressive music to sing, not only such arias as the famous "Divinités du Styx", but long arias, and accompanied recitatives as eloquent as can be imagined.

Gluck's *Alceste* is usually reckoned a soprano part, though it was adapted for a mezzo in 1861 to suit Pauline Viardot-Garcia's voice. For Dame Janet, Sir Charles Mackerras has made his own edition of Gluck's French version, transposing as little as necessary.

The Triumph of
Virtue

Guildhall School

Going on opera digs to every shady corner of the repertoire is becoming a pastime and often unequal musical and dramatic execution is enough to discourage the most ardent seeker. But, once again, the Guildhall School of Music and Drama has justified the quest and proved the value of its particular treasure trove in a production bursting with characteristically light-hearted and confident professionalism, right down to the varied and elegant curtain calls.

This sort of professionalism is vital to the success of Alessandro Scarlatti's *The Triumph of Virtue*, a typical early eighteenth-century Italian comic opera, its plot a

Opera

It is a joy to hear this voice, exquisitely poised and weighted to Gluck's vocal line, untaxed by baroque florid divisions, intent simply on the bel canto and the colouring of simple, eloquent, the third act of the *Alceste* French words, the art of the lieder singer adapted to French, to Gluck's new classic style, and to a rounded dramatic portrayal.

We have heard Dame Janet's lightest mezzo voice over several years, and the results are everywhere felicitous in her grand portrayal of *Alceste*.

This is not the formal tragic heroine of the Italian version, as Flagstad recorded it in the 1950s, but a woman devoured by passion, secret guilt and shame for her part with the infernal gods, for deceit of her adored husband, and determination to save him and her country. Pathos, in both senses, abounds.

After the Queen of Thessaly herself, Gluck's *Alceste* is an opera of sublime courses, at least one in every scene; they promised us to start with Thursday's opening performance, but quickly found rapport with Mackerras and orchestra in the pit, dapper as well as elegant music smartly contrasted.

web of tangled affections, its progress tiresomely uneven, and its conclusion of virtue rewarded, and honour triumphant, improbable. Christopher Newell's workshop production, and Vilen Tausky's musical direction, yet tenderly ensured that we were aware only in retrospect just how little had taken place in two hours.

Yards of secco recitatives sprang along neatly tailored to each stage movement, exit and entrance. And, no less satisfying than the deft integration of recitative and aria, was the entirely appropriate production of balance between the vocal arias of mock-hedged, tender feeling and broad comedy as the volatile tempers of each of four pairs of lovers sway, waver, and are restored to equilibrium.

Particularly enjoyable were Paul Harry's perceptive Flaminio, ingratiatingly mobile and bilingually witty through countless turns of

As a French opera, *Alceste* has room for ballet, especially in the second and final acts: Ronald Hynd has choreographed it, and only snatched the edges by flirting with so-called Greek dance, and with some baroque elements, to diversify clean, neo-classical ballet style.

John Shirley-Quirk's fiery High Priest, and Jonathan Sumner's jolly superman Hercules, make their presence strongly felt. So did Robert Tear as the hero, until his throat infection obliged him to mime the third act while David Hillman sang the music from the orchestra pit.

The opera is responsibly by Roger Buthin in a Greek classical architectural style, severe and monumental but properly intense. John Copley's production concentrates on the miserable plight of the heroine, keeping the chorus active but essentially background for the main drama. It is Dame Janet's evening, and it is also Gluck's. Let us hope that another *Alceste* will soon appear to keep the opera in circulation, that Dame Janet will postpone her farewell to opera for a while longer.

William Mann

phrase and voice; Linda Strachan's servant-girl, Rosina, her voice and stage presence emanating warm, mellow light; the dignified humour of Anne-Sophie von Oer's proud Leonora; and Maria Bonini's pert, ringing, yet tenderly affectionate Dorabella. The concerted numbers, like the duet between Leonora and Dorabella with flute and oboe, and the solemn post-duet quartet — near embryonic Mozart — revealed some of Scarlatti's finest music.

While Terence Emery's sensitively lit minimal set on a tiny, oval open dais was both attractive and imaginatively used from every angle, the positioning of the small band behind it posed challenges for ensemble between singers and players that were far from being met on the first night. But this should discourage nobody from the further performances tomorrow and on Thursday.

Hilary Finch

Itzhak Perlman appears on HMV as well as the Royal Variety Show



If you enjoyed Itzhak Perlman's brilliant playing on TV last night, you'll also enjoy his HMV records.

You'll find his recordings of the Royal Variety show items on Itzhak Perlman Plays Fritz Kreisler HMV ASD 3289 and Itzhak Perlman Encores II HMV ASD 3810. TCC ASD 3810 available at all good record shops.

His recent records on HMV include an outstanding digital Beethoven Violin Concerto HMV ASD 4059 (TCC ASD 4059 Chromel and in a lighter mood, It's a Breeze HMV EMD 5537 (TCC EMD 5537 Chromel, an album of jazz compositions by André Previn.



Brian Friel's
translations
translations
translations
translations

"The best new play in London" (Observer)
"Magnificent... it shouldn't be missed" (D. Express)
"A masterpiece... I have never been more certain of witnessing the premiere of a national classic" (Times)

Tonight, Tomorrow, at 7.45, Wednesday at 3.00 & 7.45. Then December 17, 18, 19, 21

STANDEY: any unsold seats £4 (83 midweek) in 45 mins before start

NATIONAL THEATRE
(Lyttelton)

01-628 2323 Credit Cards: 01-628 5533

(Current market price multiplied by the number of shares in issue for the stock quoted)

* Ex. dividend. * Ex. all. * Forecast dividend. * Corrected price. * Interim payment passed. * Price at suspension. * Dividend and yield exclude a special payment: * Bid for company. * Pre-merger figures. * Forecasts earnings. * Ex capital distribution. * Ex rights. * Ex scrip or share split. * Tax free. * Price adjusted for late earnings. . . No significant data.

Wealth tax—a talking point again, page 17

Business News

THE TIMES Monday November 30 1981

New York bids for Eurodollar business, page 17

Mobil calls US Steel's Marathon bid 'illegal'

From Bailey Morris, Washington, Nov 29

A decision in the first of two crucial court tests to the proposed takeover of Marathon Oil is likely this week as Mobil tries to convince a Federal judge to oust its US Steel rival from the bidding. US Steel has accused US Steel of an illegal "sweetheart deal" with Marathon board members at the expense of the shareholders.

This is the crux of its case against US Steel, which got under way last week in Columbus, Ohio.

The outcome of the suit and another filed by Marathon in Cleveland, Ohio, challenging the Mobil takeover on anti-trust grounds, will be turning points in the battle.

Mobil is challenging two features of a US Steel offer. It objects to an option giving US Steel the right to buy 10 million shares of new Marathon stock for \$90 a share and to another allowing it to buy Marathon's most valuable domestic oil property if the company is in fact taken over by a third party.

Mobil has argued that such options are illegal as they are designed to protect the interest of Marathon's board rather than to promote the interests of shareholders.

The more critical of the two options is the one allowing US Steel to purchase Marathon's interest in the Yates oilfield in Texas, should a third party take over. This interest is worth an estimated \$5,000m but the option allows US Steel to buy it for only \$2,800m. Mobil has said it will withdraw or modify its newly-increased offer for Marathon if this option is not withdrawn.

Mobil is the high bidder, having revised its original offer for 51 per cent of the stock to \$126 a share from \$85. US Steel has offered \$125. In either case, the merger would rank as the second largest takeover in American history.

If the options are not withdrawn, Mobil reserves the right to withdraw its new offer or offer it again to buy as little as one-third of Marathon's outstanding shares.

In challenging the other options granting US Steel the right to buy 10 million additional shares, Mobil contends this gives an unfair bidding and price advantage.

US Steel and Marathon directors said, however, that Mobil's original offer was grossly inadequate.

The Columbus court decision could be made this week, but the Cleveland case is not as far along. The Federal Trade Commission is also studying the anti-trust implications.

Meanwhile, as attorneys argued in court, US Steel tried to allay criticism of its bid.

Mr David Roderick, US Steel president, issued a statement saying the Marathon acquisition would in no way force his company to abandon its steel modernization plans or divert resources from other key segments of its steel business.

He also disclosed that the company has increased its cash position by arranging additional credit of \$5,000m under a new agreement with 33 domestic and foreign banks to make the acquisition and modernization plans possible.

CBI predicts no more than 1pc recovery

By John Whitmore, Financial Correspondent

Britain's economy will pick up only slowly next year with output recovering by no more than 1 per cent, according to the latest economic forecast from the Confederation of British Industry.

Only on the export front does the CBI forecast improved productivity and international competitiveness.

This is a trend the CBI expects to continue in 1982, albeit to a less marked extent. Even so, it expects some recovery in non-oil exports next year, particularly if there is faster growth in world trade than in 1981.

At home, the CBI sees very little to look forward to other than an end to deflating some of the middle of next year. Even here, the CBI shows marked caution.

While pointing out that deflating in the year to mid-1981 was equivalent to 3 per cent of gross domestic product, the CBI is not looking for a large restructuring surge to get the economy moving again.

It suggests that any net stockbuilding in the second half of next year is likely to be very small. In addition, it sees any restructuring tending to have its most notable impact in boosting imports.

For the rest, the CBI's story is one of an economy finding it difficult to move out of recession. Personal spending power is viewed as likely to remain under pressure this winter. The report says that recent regional soundings suggest that retail sales volume may now be starting to slip.

Barclays survey says interest rates will fall

By Our Financial Correspondent

Interest rates in the United Kingdom should be trading at significantly lower levels once the main tax paying season is out of the way next spring, according to the latest edition of Barclays Bank UK Financial Survey.

The bank says that after allowing for the effects of the civil servants' dispute on the money market, sterling M3 is still emerging as an indicator that overstates monetary growth.

The report points to the widening gap between the rate of growth recently in sterling M3 and the broad measure of price sector liquidity.

This development, it suggests, largely reflects the slowdown in the growth in building society deposits.

"It would be unfortunate if interpretation of the monetary situation did not make full allowance for this long overdue competition in the savings and mortgage market."

In the immediate future, however, the survey raises a note of caution. It points to the sizable cash drain from the market as the effects of this year's Civil Service dispute are unwound.

This, it warns, is likely to lead—at the least—to periodic upward pressures on rates at the very short end of the market.

Treasury chief optimistic

Washington, Nov 29.—Mr Donald Regan, the treasury secretary, predicted today that the US recession would not be as steep as many believed. Growth would decline by only 3 to 3.5 per cent in the final three months of this year, rather than by the 5 per cent forecast by most private sector economists, he said.

The economy would pull out of the recession by spring but unemployment in the US would remain near or above 8 per cent, he said in a television interview.

Other economic officials have predicted that the jobless rate will reach 9 per cent.

Mr Regan acknowledged that there would be large Federal deficits for several years but disputed projections that the spending gap for 1981-82 would be as high as \$100,000m. He said the deficit would be re-examined as the link between spending and inflation, he said.

He hoped that Congress and the administration could work out a compromise on public spending before the December 15 deadline, so that the one-day stoppage in government caused by last week's deadlock would not be repeated.

UK motorcycles' future bright

By Edward Townsend, Industrial Correspondent

Britain's motorcycle industry is on the brink of its healthiest period for years, according to a report published today.

New manufacturing developments such as Lord Hesketh's "superbike" are rekindling the entrepreneurial vitality which was once an integral part of British motorcycle production, the study by Keynote Publications says.

No British company can attack the home market because of Japanese domination but the report applauds attempts by Lord Hesketh and Waddell Engineering, of Croydon, which has also introduced a new motorcycle.

Hesketh aims to produce 2,000 of the 1,000cc V-twin cycles a year. Waddell expects to be making 5,000 of its 125 to 500cc range each year by the end of 1982. The report says that if these targets are achieved—and it considers Waddell's goals to be optimistic—they could boost British motorcycle production by at least a third within two years.

"Interest in both new products is already at an intense pitch, although the most severe problems to be faced are likely to be found in the retail distribution of their products", the report says.

"Even if they can persuade often sceptical United Kingdom dealers that a market for British cycles is lurking not far below the surface, they will find it difficult to promise delivery times, supplies of tools and spare parts, and back-up service strategies."

While Britain remains firmly entrenched in recession, it is more than likely that the public will continue to search for a means of transport as an alternative to cars and public services.

Motorcycles, Keynote Publications, 23 City Road, London EC1Y 1AA. £25.

ORIGIN OF NEW REGISTRATIONS OF MOTOR CYCLES

	1979	% of total	1980	% of total	% variation 1979-1980
British	3,309	1.8	2,833	1.2	-20.4
West European	8,686	4.2	8,556	3.9	-1.5
East European	10,981	5.3	5,704	2.6	-48.0
Japanese	183,856	88.9	202,487	92.3	+10.1
Total	208,812	100.0	219,379	100.0	+6.1

Source: Motor Cycle Association

Brian Harris



Tobacco helps to ease Zimbabwe's burden

Zimbabwe's quality leaf

From Our Correspondent, Salisbury, Nov 29

Tobacco has overtaken gold for the first time as Zimbabwe's leading foreign currency earner after an extremely successful season which re-established the country as one of the world's two main producers of quality leaf.

Mr Bert Barnard, chief executive of the Zimbabwe Tobacco Association, said that last season's crop would bring in about £220m (£160m) in foreign exchange.

The 1979-80 crop, which disappointed overseas buyers hoping for a return to the quality of tobacco produced before the unilateral declaration of independence in 1970 and sanctions, earned 2494m Devisary, Warwickshire.

For some years now Cummins has dominated the truck market with sales volumes nearly double those of its nearest competitors. Now it is planning to challenge for leadership in the construction and industrial power markets which it entered only six years ago.

Mr Barnard said that the largest market for the tobacco with the Middle East taking second share, Mr Barnard said.

Cummins expansion

Cummins, the American group which is already Europe's largest independent manufacturer of heavy diesel engines, is investing £20m to double production at two of its United Kingdom plants—Shorts in Lancashire, and Dewberry, Warwickshire.

For some years now Cummins has dominated the truck market with sales volumes nearly double those of its nearest competitors. Now it is planning to challenge for leadership in the construction and industrial power markets which it entered only six years ago.

TAX CUT PLEA

A 2p cut in income tax can be afforded next year, the Institute of Directors has told Sir Geoffrey Howe, Chancellor of the Exchequer. Sales of public assets, which will exceed targets by £1,500m this year, will compensate for the cut, the Institute says in its submissions for the 1982 Budget.

THIS WEEK

Capital issues and redemptions (November); and advance energy statistics (October). International Air Traffic Association conference on North Atlantic fares, Geneva.

THURSDAY: Mr. Jack Bruce-Gardner, Minister of State at the Treasury, to deliver opening speech at conference on Long-Term Economic Cycles: Their Causes and Consequences, organized by the Institute of Measurement and Control, London. Lecture on Electronics and the Future of Money, at the Institution of Electrical Engineers, London. Business start-up conference, arranged by the Industrial and Commercial Finance Corporation, at CBI Conference Centre, London.

Research warning

The Government has been accused of "scientific suicide" by refusing to aid research and investment for biotechnology which could lead to the United Kingdom pharmaceutical industry being undermined.

Mr Roger Lyons, a national officer of the Association of Scientific, Technical and Managerial Staffs, told a pharmaceuticals national conference at the weekend that the Government's refusal to take positive action was leading to a "brain drain" of leading scientists.

JOINT VENTURE

President Sandro Pertini has inaugurated a \$250m joint venture between Fiat and Peugeot-Citroen to make up to 80,000 vans a year at Val di Sangro in central Italy.

Stock Markets

FT Index 533.4
FT Gilt 64.40
FT All Share 313.15

Sterling

\$1.9565
Index 91.9
New York: \$1.9642

Dollar

Index 105.3
DM 2.2155

Gold

\$412.50
New York: \$414

Money

3 mth sterling 14 1/4-14 1/2
3 mth Euro \$ 11 1/2-12 1/2
6 mth Euro \$ 12 1/2-13 1/2
(Friday's close)

Legal boost for bonds

Building Societies hope that amendments to the Trustee Investment Act to allow trustees to buy building society negotiable bonds, will encourage a secondary market in these securities.

Nationwide Building Society pioneered the bonds and is due to come to the market next Friday with the sixth £5m tranche of its £100m fund-raising exercise.

Register time for brokers

Insurance brokers will have to be registered with the statutory Insurance Brokers' Registration Council from January 1. This is one of the provisions of the Insurance Brokers (Registration) Act 1977 which prevents the sale of insurance by persons using the title "insurance broker" if they have not first registered.

Mitterrand visit

M. Francois Mitterrand, the French President, starts a two day visit to Algeria today determined to put relations with the former colony on a new footing. But there is still no sign of any settlement on the main economic issue dividing the two countries, the price to be paid for liquefied natural gas exported by Algeria to France every year.

The EEC Commission has announced it will not approve the Belgian Government's controversial steel plan until it is convinced that the plan will lead to a "viable and profitable" industry.

TODAY: The House of Commons Select Committee on Energy resumes its inquiry into North Sea oil depletion policy.

TOMORROW: Two-day review starts in London of developments in the automotive industry, sponsored by the automobile and the engineering manufacturing industries divisions of the Institution of Mechanical Engineers.

WEDNESDAY: Mr Robert Ashdown, chairman of British Shipbuilders, gives evidence to the Short inquiry into the corporation by the Commons Select Committee on Industry and Trade. United Kingdom official reserves (November).

Profits and progress present no problems to BCA

* We started up in 1946 with a turnover of £300,000. Today the wide spectrum of BCA business covering every facet of the automotive industry has a turnover of £216 million - THAT'S PROGRESS.

* In our first year our profit was £15,000 and a dividend was not paid. Last year our profits reached a record £2.9 million and our twice covered dividend amounted to £701,000 - THAT'S PROFIT.

* We are not depressed about trading conditions now - or in the future. Our figures for the first three months of the current year are already ahead of last year's - NO PROBLEM.

Our newly adopted big-hearted, very friendly, gentle but aggressive lion is featured in our Report and Accounts which contains the Annual Review by David Wicks, Chairman. Copies can be obtained from The Secretary, Expediter House, Farnham, Surrey.

THE BRITISH CAR AUCTION GROUP PLC

Head Office: Expediter House, Farnham, Surrey GU9 7PY
Telephone: Farnham (0252) 711222 Telex: 858192

BY THE FINANCIAL EDITOR

As sterling starts to climb again

With the pound trading above \$1.96 in New York on Friday evening and closing at DM4.33 in London earlier in the day, we must now be near the point where something will have to give. There is, of course, no official exchange rate target, and it may well be that the present level of sterling remains just about within the tolerances of any unofficial target band. But unless there has been a fresh evolutionary twist in government thinking, we must be re-entering a zone of potential discomfort.

Certainly, that is the conclusion to which one is led by the latest CBI survey. This makes it clear that UK exporters have indeed been seeing a worthwhile increase in orders from North America on the back of the lower sterling/dollar exchange rate. But it is hard to believe that those exporters are now going to welcome a quick reversion to a \$2 pound.

Much more disturbing, perhaps, is what the CBI has to say about exporting to Europe. In this case, the tale has changed little. It remains one of weak demand and a lack of U.K. competitiveness. (Little wonder incidentally, that the government is in no hurry to become a full EMS member at this stage).

What we do not yet know on the other hand is whether action to put the lid on further sterling appreciation by constantly snipping away at U.K. interest rates would be consistent with domestic monetary objectives. As I explained last week, this problem of keeping exchange rate and domestic monetary policy in tandem is going to be one of the government's main problems over the coming months.

So with the upward pressure on sterling now seeming to develop quite strongly, it is vitally important that the November money supply figures, due out on Tuesday week, represent at least a step in the right direction.

At the moment, though the authorities have made it abundantly clear that they see any decline in interest rates this winter as being relatively slow and orderly, they also appear to have no objection to an immediate half point cut in the banks' base rates.

Whether they have made this view clear enough in their market dealings is obviously a matter of opinion. If the bank's small reductions in its bill dealing rates last week was intended to encourage the clearing banks, it is equally obvious that the latter did not regard the signal as strong enough.

That, however, may in part reflect the technical position in the market at present. Given its preference for dealing with day-to-day shortages of liquidity through the discount market, it is not always easy for the Bank to put the rest of the banking sector into balance. It may in fact be getting some additional liquidity to the banks in other ways (e.g. through foreign exchange operations), but it looks increasingly as if it will have to provide some rather larger direct help to the banks if it is to see the system through a difficult winter without risk of upset.

Property companies More frequent valuations

Since efficient capital markets rely on a full flow of information, all market-watchers will welcome the accounting standard on investment properties SSAP 19. The standard requires all property companies to revalue their land and buildings assets every five years by external valuation and to make an internal directors' estimate of value every year.

This will undoubtedly help the market to measure relative profitability in the property sector where, at the moment, some property companies hold assets which have not been revalued for near on twenty years. Analysts would, of course like to have even more information, but there is only so much that can be extracted by an accounting standard.

However, at least the important provision for some kind of annual revaluation can now be regarded as having been achieved since no reputable property company will be willing to risk the now formalized penalty of an audit qualification for failing to revalue. In practice until the property companies complete accounting periods starting on or after July 1 1981, for many, which account to March 31, the standard will not apply

until they prepare their accounts to March 1982. Of course, some of the most progressive companies, such as Land Securities, have already come pretty near the standard's requirement by revaluing all their properties every two years.

Other companies have perhaps only revalued very occasionally, as the result of new rental structures or financing agreements, though this is understandable since the costs of full revaluation can be very high.

Passage of the standard means that for the first time there will be strict comparisons of performance rather than comparisons based on estimates. Everyone should welcome this achievement.

House of Fraser

Waiting on Mr Biffen

Will Sir Hugh Fraser get Harrods for Christmas? For Jim Santa Claus could come in the form of Mr John Biffen, Secretary of State for Trade, who any time now will make up his mind whether Lorrho should be allowed to bid for the House of Fraser.

Appropriately, perhaps, Mr Biffen will be taking his decision in the middle of Fraser's most important trading period of the year. Certainly, half-time results from the group hardly strengthened the case for continuing independence. Although profits rose from £1.02m to £1.29m, they were well below market expectations and gloomy trading talk did little for the share price.



Professor Roland Smith, chairman of House of Fraser

However, current indications are that trade has picked up and, in early October Harrods, which accounts for a major portion of Fraser's total profits, was said to be enjoying a small boom.

Moreover, under Professor Roland Smith and Mr Ernest Sharp, Fraser has been working on its assets. Last January they were 305p a share. After Christmas they could well approach £4 — a figure which was banded around last January at the time Lorrho first decided to bid.

Free of board room harassment while the Monopolies Commission has been conducting its investigation, Fraser management reckons they have been able to spend much more time running the business. And its dogged support from institutional investors could well make it a tough nut for Lorrho to crack, and one that will certainly not yield to Lorrho's original offer of 150p a share.

If Mr Biffen does decide that Lorrho's bid is not against the public interest, then a wider battle will commence with former Lorrho merchant bankers S. G. Warburg and stockbrokers Cazenove fighting to keep Fraser independent. However, the shares at 181p are near the year's peak and one possibility, perhaps, would be a bidder who would take Lorrho's stake and then launch its own offer.

Lorrho has already pledged to put Sir Hugh Fraser back at the top of Fraser if it is successful. Cynics suggest that might not be the best strategy to win support from institutional holders.

New York banks bid for a slice of Eurodollar business

Frank Lipsius

New York

On Thursday, New York will become an offshore banking centre, competing directly with European and other foreign banks for Eurodollar business. The change is causing considerable excitement on Wall Street.

"It's a big event," says Mr Robert Jackson, vice-president of the Chemical Bank. "We'll be able to bring back to the United States a lot of foreign business that went offshore."

The new provisions, which were approved by the United States Federal Reserve Board and supported by New York State banking regulations, are designed to put New York on a more equal footing with other Eurobanking centres, the largest of which is London.

Under the new regulations, so-called international Banking Facilities (IBFs) will be able to accept deposits and extend credit to foreign residents or other IBFs.

Funds will be exempt from the usual reserve requirements and from interest rate limitations. But the new regulations are not meant to allow American companies and individuals to circumvent existing banking regulations. The facilities will be restricted to customers' operations outside the United States.

New York banks have lobbied heavily for the IBFs to simplify international operations and allow American banks the same latitude that their foreign competitors enjoy in their Eurodollar transactions. Essentially, Eurodollars are American currency not controlled by federal regulation in the United States.

Eurodollars are used to pay 67 per cent of the world's international transactions.

At present, the pool of Eurodollars stands at more than \$1,340,000m equivalent

to the whole of the United States government debt.

The pool has nearly tripled over the last five years and continues to grow at a prodigious rate because of high American interest rates and balance of payments deficits.

European banks have dealt with dollar accounts since the Soviet Narodny Bank in Paris started making dollar loans and accepting repayments in dollars after the war. In practical terms, offshore banking privileges mean that banks will be free of the regulations that force American banks to leave a certain percentage of their assets on deposit with the Federal Reserve.

A complicated formula is used to calculate the exact amount the Fed requires, but it is as much as 14 per cent of some deposits, forcing banks to hold significant amounts in a non-interest-bearing form.

Also, IBFs are free of interest rate ceilings which apply to domestic banking, and income from such interest is free of state and local taxes.

To establish their off-shore facilities, banks have merely had to notify the Federal Reserve of their intention. The IBF can be housed in the bank's premises, and rather than a separate branch of the bank, it is merely a separate set of accounting ledgers.

About 140 banks have already notified the regional Federal Reserve Boards of their intention to open an IBF. While federal regulations apply throughout the United States, 99 other banks are under the jurisdiction of the New York Fed. Three quarters of them are foreign banks, ranging from the major British banks to the Thai Farmers Bank.

British banks intending to establish IBFs on Thursday include Barclay's Bank International, Grindlays Bank, J

Henry Schroeder Banking Trust Company, National Westminster Bank, Standard Chartered Bank and Lloyds Bank International.

Other regions must make sure that state banking laws come into line with federal regulations before their IBFs are operable. Eight states have already taken steps to do so. Rather than be deprived of the advantages of the IBFs, American banks have long held off shore banking facilities, including branches in London, the Bahamas, Nassau and Bahrain. It was this successful circumvention of United States regulations that forced the Fed to extend the facilities to the United States itself.

As a result, money at least technically handled abroad may be repatriated, but no dramatic change in day-to-day operations will be perceptible. On the other hand, Federal Reserve economists predict that the convenience of the new centres in New York may draw as much as \$125,000m over the next few months.

London controls about 32 per cent of Eurodollar transactions, a figure that by 1990 may be reduced to 20 per cent according to Mr David Ashley at Grindlays Bank in London. New York's share is expected to rise to 18 per cent in the decade and the Bahamas' and Cayman Islands' share over the same period will fall from 11 per cent last year to 2 per cent.

"We do not see any significant near-term impact on our London operation," says Mr Douglas Ebert, senior vice-president and deputy general manager of Manufacturers Trust, the third largest bank in New York.

The bank will be assigning only 10 people to its new IBF, which will be housed in the bank's international banking centre on Wall



Chemical Bank headquarters New York: "We'll be able to bring back a lot of foreign business that went offshore."

Street. It will probably open IBFs in Miami and Los Angeles when the bank feels comfortable with the new regulations.

Over the long term however, he foresees the convenience of the IBF drawing money, which might otherwise have been placed abroad.

Similarly, the Chase Manhattan Bank, while opening IBFs in Los Angeles, Houston and Miami as well as New York, is hiring only a few extra clerks to help with the new operation. As with most banks, the IBFs will be handled by the same staff who are already dealing with international functions.

Transactions can be made in currencies other than dollars, and foreign residents may hold accounts in IBFs, but an individual IBF time

deposit must be at least \$100,000.

Since American corporations can use the IBFs for their foreign operations there are certain grey areas which require further elaboration, including the question of lending money to off shore American subsidiaries for the purpose of exporting American goods and determining how foreign securities bought on the open market can be assured of falling into the proper IBF category of "used for a foreign purpose."

Despite the slow start and initial uncertainties, the IBFs should have an increasing impact on international banking as they are integrated into American banking practice. Mr Lawrence Unlick, vice president of the Morgan Guaranty Trust Company describes them as "the best of all worlds."

Wealth tax a talking point again

The wealth tax merry-go-round has been given another whirl by the Crosby by-election.

Mrs Shirley Williams, the victor, is in favour of wealth taxation and a remarkably high percentage of the SDP membership (63 per cent, according to a London Weekend Television poll) agrees with her. A wealth tax is adopted by the SDP Liberal Alliance, two out of three British political parties will be urging a wealth tax in their programmes at the next general election.

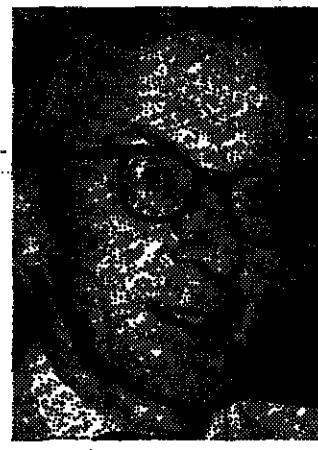
There is no doubt Labour will make — by way of wealth tax — another attempt to achieve the elusive fundamental shift of wealth and power that was Mr Denis Healey's declared objective in 1974.

In France, a newly devised version of this tax has become law, and its structure and results will serve as precedents for us to follow.

The notion of taxing wealth is regarded with relief by the left for whom the very word "wealth" carries with it the connotation of privilege and inequality.

This psychological advantage is supported by the convenient economic theory that wealth confers security and opportunity over and above what can be earned and that unequal national distribution of wealth should be countered by taxing it separately, in addition to taxes on income, profits, gains and inheritance.

The French have been rehearsing these arguments,



Professor James Meade (left) and Mr Dick Taverne: for and against a wealth tax. Now they are looking at the subject on an SDP study group.

and the outcome is that from January 1 1982, each French family will be liable to *l'impôt sur la fortune* annually, at a progressive rate of 0.5 per cent to 1.5 per cent — despite bitter criticism of the tax as confiscatory and unconstitutional, ineffective, destructive to the economy, marriage, wine production and civilization in general.

To get his tax on to the statute book, budget minister M Laurent Fabius has been obliged to make concessions. In particular, works of art have been exempted, although subject to an annual increase in value of 10 per cent. But the scope of the tax remains wide, catching all property owned by French residents wherever situated, plus foreign-owned property in France.

How will it work? Each January 1, commencing 1982, an individual French family will add up the net value of its goods, rights and property including the domestic home (which is valued at 3m francs, about £300,000). If it does, the head of the household files a return. There is a further exemption of 2m francs (about £200,000) for business and professional property corresponding to similar reliefs in Britain's capital transfer tax system, and designed to preserve small businesses from sale or break up, when cash to pay tax is required.

In France, wealth is unusually distributed: 10 per cent of the population owns 57 per cent of it; 11 per cent no wealth; and a further 32 per cent owns a negligible amount.

It is not easy to see how the distribution will be changed by the new tax,



Professor James Meade (left) and Mr Dick Taverne: for and against a wealth tax. Now they are looking at the subject on an SDP study group.

which at first glance, appears not at all burdensome. About 200,000 taxpayers are estimated to be liable and the yield is forecast about £500 million.

On the other hand, income tax rates are being raised for those in top brackets; wealth tax is not indexed; and once tax is exacted, rates can be increased and thresholds lowered.

There is an existing effective capital gains tax in France, but historically, the French have been reluctant, grudging and evasive taxpayers. At last, they are being dragged into the net.

The SDP does not yet have a firm policy commitment to a wealth tax but has set up a study group under Mr Dick Taverne QC, a former Financial Secretary to the Treasury, to ponder the problems of taxation, poverty and social security.

Mr Taverne, as it happens, has unhesitatingly stated his disapproval of a wealth tax, particularly one introduced for the sake of slogans; one

without any real yield or social or economic effect, designed merely as a sop to the extreme left, paying lip-service to the concept of transferring from rich to poor.

Administratively, wealth tax must be burdensome, if only because the measurement of wealth is a more uncertain process than that of income. Income usually comes in cash, whereas capital is usually held in assets, the valuation of which can be difficult. It is impossible to be sure what a property is worth until it is sold, and even then the price may be a special one.

Nowadays, the costs of government are more recognized than previously, and a tax which costs some £30m to yield £500m, does not, in Mr Taverne's view, make sense.

Also, it is common ground that non-income yielding property such as works of art, standing timber, and family homes should in fairness be exempt, and the effect of exemption will be to create a bias in favour of these things, so forcing up prices.

It is predicted this will happen in France. Widespread evasion and legal avoidance are also predicted. On the other hand, there is the substantive justification propounded by Professor James Meade and other fiscal economists, to the effect that wealth tax would permit reduction in more damaging taxes, such as income taxes.

Since Professor Meade is to be a member of Mr Dick Taverne's study group, it is unlikely that Mr Taverne will have things all his own way.

Oliver Stanley

Business Diary profile: Yvon Gattaz and France's CBI

A new man for a new situation. That is how one might sum up the choice of Yvon Gattaz, 56, as next president of France's equivalent of the CBI — The Conseil National Du Patronat Français (CNPF).

Whereas incumbent president Francois Ceyrac, 69, has always been an official without industrial experience, Gattaz is the owner of a highly successful electronics components company he founded 29 years ago. While Ceyrac tended to represent the interests of the giant French industrial groups and multinationals, Gattaz has set himself up as champion of the small company.

When relations between industry and the socialist government could hardly be worse, the less ideological tone of this lively entrepreneur might improve the climate — especially as he does not come from the big business establishment of which the socialists are so suspicious.

French companies were taken over industrial relations responsibilities from Ceyrac when he (Ceyrac) was elected president in 1972. A contest finale was between two Yvons. The other was Yvon Chotard, 60 and head of a Paris publishing house, who had

conservative and is identified with the Ceyrac regime. Up against him was Yvon Gattaz. Who sees himself as both a man of action and reflection. Not only has he built his firm Radial into one of the most profitable French companies with its 800 employees and 180m francs (£16.4m) of sales, but he has also become quite a philosopher on business management. Just after the May 1968 student riots he brought out his first book *Les hommes en gris*, a defence of small firms. In 1973 he launched his own monthly magazine called *Les quatre verites* and in 1975 he set up "Ethic", a group of about 1,500 progressive businessmen favourable to the concept of a medium-sized firm with between 50 and 2,000 employees.



Small is beautiful: (left to right) Rene Bernasconi of the CGPME, President Mitterrand and the CNPF's Yvon Gattaz.

Last year he brought out a second book *La fin des patrons* forecasting the end of the old French business establishment.

As one can imagine, it was not easy to choose between two candidates with such different experience and ideas. But when members of the 35-strong executive committee started suggesting unity might be preserved if Ceyrac was kept on, the two men signed a pact. Agreeing to support each other and if Chotard won, Gattaz was to have been given responsibility for reforming the

patronat. If Gattaz did, Chotard was to stay as director for industrial relations questions. This deal probably enabled Gattaz to pip Chotard to the post. The formal election of the president will not occur until the general assembly meeting next month, but the nominated candidate is invariably adopted.

The new man has a lot going for him. He is highly articulate and has plenty of ideas and is full of energy. He can be touchy when defending members' interests and favours unity among employers in face of the socialist government. But he is a man of distaste for being down to earth and business-like in his approach.

The vocation of companies is economic and indirectly social, but not political. Gattaz says: "Companies must stick to the language of economics. It is that which makes them credible."

With most of the bigger French companies being nationalized, Gattaz could be placed in a very delicate position. If they stay, he could be accused of collaborating with the state; if they go, he loses a very large percentage of the membership fees.

The answer might be to concentrate on the smaller

companies which he has specialized in, but then he is likely to run up against the powerful Confederation for Small and Medium Companies (CGPME). Its president, Rene Bernasconi, has not concealed his distaste at the choice of Gattaz and has made it clear he does not want him moving in on his patch. On the other hand the Syndicat National de la Petite Moyenne Industrielle offshoot of the CGPME is delighted at the Gattaz nomination and is already talking of moving closer towards the patronat.

The main reservation about the new leader is that he does not know his way around the patronat yet, having worked there for only five years. "He is a man of ideas, not somebody in the system", said one businessman.

There are also suggestions that he is too intellectual for the average small company owner. "Ethic is just an elite club. The sort of thing that is discussed there would not interest people running smaller companies."

What is certain is that he will need all the skills at his disposal if he is to maintain the unity of the French employers. Much will depend on those he picks to work with him when he takes over in January.

Michael Parrott

CHARTERHALL LIMITED

Mr Derek G. Williams, Chairman and Chief Executive of Charterhall Limited, the U.K. based independent oil and gas and minerals group, made the following principal points to shareholders at the Annual General Meeting held in London on 25th November, 1981.

- As a result of the July 1980 Rights Issue the Company's asset base has been increased substantially.
- The number of ventures in which the Group is involved has nearly doubled in the last year.
- 6.5 million barrels of oil have been produced from the Buchan Field and Charterhall is receiving cash flow from its small working interest. Revenue from its Net Production Interest is expected to commence by the end of 1982.
- A dividend of 0.3p per share for the year ended 30th June, 1981 is to be paid on 7th December, 1981.
- Plans for the public flotation of the Australian Group are well advanced for the further development of Charterhall's interests in Australia.
- The North American interests are to be further expanded and an office has been established in Denver.
- Charterhall is now well placed to consider opportunities for further increasing its asset growth.

Copies of the 1981 Report and Accounts can be obtained from the Secretary, Charterhall Limited, Sutherland House, Brighton Road, Sutton, Surrey SM2 5BA.

'C'EST IMPOSSIBLE. 'NICHT MÖGLICH.' 'IT'S ALL YOURS.'

FRENCH ENGINEER.

GERMAN ENGINEER.

MICHAEL WATES.

"It can't be done in time."

That's what Phil Lord, the Managing Director of Wates Construction was told when we first began the new Crédit Lyonnais bank development.

It could, and it was, by Wates. Despite the doubts of French and German engineers, the new London headquarters of this French bank was handed over ahead of the target date.

Handing it over in time was only one of the features of the job we're proud of.

The multi-million pound block was built within the original budget figures.

(Something a bank is quick to appreciate.)

And it was built in two phases, because an old fire station was still standing on the site when we started work.

Then, it was of a most unusual curvilinear design, with an outward slope to each floor to maximise the usable space.

Crédit Lyonnais wanted their new London headquarters to be a really distinctive building.

The nature of the site—one of the last major bomb sites in the City, and near St Paul's—dictated that it had to be.

Today, it is one of the most magnificently-appointed bank headquarters in London.

It has full air conditioning, a computer room, smoke and heat detectors, elaborate alarm systems, and strong rooms that are strong enough to withstand the thermic lance—the bank robber's latest weapon.

As well as the Crédit Lyonnais building, Wates Construction are providing new premises for Baring Brothers and Company, the Deutsche Bank AG, the Bank of Scotland, Crédit Suisse, First Boston Ltd, the Bank of New South Wales and many others.

We hope this means we're the contractors the financial community feel they can bank on.

Wates Limited,
1260 London Road, Norbury,
London SW16 4EG.
Telephone: 01-764 5000.

wates build with care



CRÉDIT LYONNAIS ARCHITECTS: WEPSTEAD & MACFARLANE PARTNERSHIP
QUANTITY SURVEYORS: WICKSTEED SON & FEE STRUCTURAL ENGINEERS: OVE ARUP & PARTNERS



